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ESCAP Steering Committee Meets in Jakarta

Alatas Opens Meeting

BK2301115195 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 23 Jan 95

[FBIS Translated Text] Foreign Minister Ali Alatas opened the sixth meeting of the ESCAP [Economic and Social Commission for Asia and the Pacific] Steering Committee in Jakarta this morning. He said that the economic development of countries in the Asia-Pacific region is very rapid compared to countries in other regions. The economic achievements and progress in the Asia-Pacific region are very significant; economic growth in 1995-96 is expected to equal the 7.5 percent growth achieved in 1994. He said that ESCAP is a microcosm of the world because its membership is comprised of developing and developed countries with a variety of cultural, economic, and socio-political systems. They also have different levels of technical ability. One clear example of this microcosm is the North-South cooperation in the APEC [Asia-Pacific Economic Cooperation] forum. He added that in general the Asia-Pacific region has benefited from the outcome of the last APEC meeting—both the ministerial meeting and the APEC Economic Leaders Meeting, or EALM—in Bogor.

Seiko Takahashi, acting ESCAP executive secretary, said that the current Steering Committee meeting is being held at an opportune time when there is economic growth in all the Asia-Pacific countries. He said that the increasing growth of the global economy, low inflation in the developed countries, and stable oil prices have contributed positively to the development of countries in the region. According to Takahashi, three issues will be discussed at the Steering Committee meeting today—regional cooperation in infrastructure construction, efforts to relocate industries in the Asia-Pacific region, and a review of sectors that can attract direct investment from overseas.

Responding to journalists, Takahashi said that about $1.5 trillion will be required to build infrastructure facilities in the Asia-Pacific region, whereas only $500 billion is available. He said that ESCAP member countries had proposed that the private sector be invited to participate in the project to overcome the shortage of funds.

RRI correspondent Ikhtiar reports that the meeting will last until 26 January, with 48 countries participating. Among those attending the meeting are Australia, Japan, China, Indonesia, India, the United States, Britain, the Netherlands, and the Republic of Korea.

Group Issues 'Concept' on Trade

BK2601140595 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 26 Jan 95

[FBIS Translated Text] Members of the Economic and Social Commission for Asia and the Pacific [ESCAP] have agreed to enhance cooperation in trade, investment, infrastructure development, manpower, and relocation of industries. In addition, they have agreed to hold a meeting in Copenhagen in December 1995 to discuss communications and transportation.

In an interview with RRI [Radio Republik Indonesia] this evening, ESCAP Executive Secretary Seiko Takahashi deemed it necessary for the Asia-Pacific nations to set up an umbrella organization to overcome the economic and social gap between the advanced and poor nations in ESCAP. According to Seiko Takahashi, the establishment of such an umbrella organization is very important because the economic cooperation in the Asia-Pacific region is well known. He said that as a UN agency, the 59-member ESCAP has a routine operational budget of $43 million. The fund is obtained from members as well as through contributions by the United Nations Development Program and donor nations like Japan, the Netherlands, and China.

An 82-point concept covering various aspects of trade, the socioeconomic field, manpower, and relocation of industries was issued during this sixth ESCAP meeting. The concept will be presented to a meeting of the Regional Cooperation Committee in Bangkok from 8 to 9 February 1995. The results of the meeting will be referred to an ESCAP meeting in Bangkok from 24 April to 1 May 1995.

ASEAN Standing Committee Agrees To Accept SRV

BK3001042995 Bangkok THE SUNDAY NATION in English 29 Jan 95 p A2

[Report by Kunlachada Chaiphiphat]

[FBIS Transcribed Text] Asean's administrative body, the Asean Standing Committee (ASC), at its first meeting of the year on Thursday agreed to accept Vietnam as Asean's seventh member, said a senior Asean official attending the meeting.

For the first time since the Association of Southeast Asian Nations (Asean) granted it observer status in 1993, Vietnam took part in the Asean directors general's meeting in Jakarta, according to the official who asked not to be named. It was represented by Vietnamese Ambassador to Indonesia Nguyen Trung Hieu.

Vietnam has already indicated its willingness to join the Asean Free Trade Area (Afta) but will officially announce its intention to do so at the 28th Asean Ministerial Meeting this July, when it is also expected to be admitted as Asean's seventh member state.

The ASC discussed this year's plans for Asean, including preparations for the Fifth Asean Summit and the granting of observer status to Cambodia.

According to the official, Cambodian Foreign Minister Ing Huot, during his official visit to Brunei earlier last week, presented an instrument acceding to Asean's 1976 Treaty of Amity and Cooperation in Southeast Asia. The signing of this treaty is a prerequisite for Asean membership.

Ing Huot also made a brief stop in Jakarta where he had talks with Asean Secretary-General Datuk Ajit Singh on preparations for Cambodia's future entry to Asean and assistance in the form of human resource and language training for his country, the official said.

Cambodia, which currently holds guest status, is likely to attend the 28th Asean Ministerial Meeting as an observer. Senior government officials from the six Asean member states are expected to make a final decision on Cambodia's entry during a meeting in the Chinese city of Suzhou this April called to discuss security issues between Asean and China.

Discussion on whether to invite Burma was postponed pending the outcome of political developments in that country, said the same official. However, Laos, which has had Asean observer status since 1993, will attend, he added.

The committee also agreed in principle to a proposal by Singapore for a meeting between Asean leaders and their European counterparts—the so-called Euro-Asia Summit—to be held back-to-back with the Fifth Asean Summit being hosted by Thailand in December this year. The proposal has received positive responses.

Regional Seminar Drafting Money Laundering Law

BK2501154895 Bangkok KHUKHAENG in Thai 23-29 Jan 95 p 13

["Report": "Watch for Asian Cooperation in Prevention of Money Laundering"]

[FBIS Translated Text] Efforts are well underway in Thailand to draft the law on money laundering. Among the latest developments, the drafting committee, with Professor Chaiyot Hemaratchata of the Faculty of Law at Chulalongkon University as chairman, is getting the draft ready for discussion at a general meeting on 22 February so that proposals can be made by various parties concerned.

Meanwhile, other Asian countries, which also realize that money laundering is a deadly threat and must be stopped, are moving toward the same direction. They realize that cooperation of all countries is needed for prevention. A seminar on money laundering in Asia was held in Kuala Lumpur late last year.

Delegates attending the seminar represented 29 countries and five international organizations. The seminar was organized jointly by the Financial Action Task Force [name published in English], and the Secretariat of the Commonwealth Countries, with support from the United Nations Drug Control Program.

The countries with representatives attending the seminar were: Australia, Bangladesh, Taiwan, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Laos, Macao, Malaysia, Burma, Brunei, Nepal, New Zealand, Pakistan, China, the Philippines, Korea, Singapore, Sri Lanka, Thailand, the United Kingdom, the United States, Vietnam, the Asian Development Bank, Interpol, SEACEN [acronym published in English], the United Nations Development Program, and the United Nations Drug Control Program.

There was good news at the meeting—delegates agreed to set up an Asian secretariat on money laundering in Sydney, which will gather initiatives from regional countries on preventing money laundering.

The secretariat was also assigned to compile and publicize information on money laundering and countermeasures adopted by various countries. The meeting agreed to hold another seminar the following year in order to assess the progress made.

The seminar was divided into three groups: monetary affairs, legal affairs, and law enforcement. KHUKHAENG THURAKIT reports here the conclusion of the monetary affairs group, which agreed on the following points:

1. The Role of Personnel in Charge of Preventing Money Laundering

1.1 Government agencies responsible for overseeing and controlling financial institutions must assume a major role in preventing money laundering.

1.2 Although in some countries there is no law requiring financial institutions to report suspicious transactions, there are still ways to prevent money laundering through the use of existing laws which require financial institutions to report more about certain suspicious categories.

1.3 Government agencies must see to it that all financial institutions are managed by capable and knowledgeable persons.

1.4 Those in charge of managing the head offices of financial institutions must be assured that all other offices are under management which is up to the standard and of the best quality possible.

1.5 The Bankers Association should play an important role in countering money laundering.

1.6 Those in charge of overseeing the financial institutions which are members of the Offshore Financial Center [name published in English] should pay great attention to money laundering. The same rule applies with financial institutions not in the offshore financial group.

2. Financial Institutions' Policy on Knowing Their Customers

Financial institutions need to have regulations which will allow them to know their customers. This includes prohibiting customers from opening accounts under false names.

3. Storage of Information

A good inventory of information is very important for financial institutions because it will allow them an easy check on the cases under review. Financial institutions therefore should be required to set up an information network so that it can be used as legal evidence later on.

4. Side Effects

The delegate from Italy noted that there could be several effects from money laundering. The meeting admitted that damage could be done to a country's entire economic system if the laundered funds are used in economic crime.

5. Suspicious Cases

The meeting noted that there are several methods to report suspicious cases. Therefore, control through reports will be useful since it would allow movements through financial institutions to be traced. This will be more useful if there is a requirement to report suspicious transactions to official information centers which have the power to take legal action immediately.

The head office of each financial institution should set up a division in charge of reporting information. Law enforcement authorities should cooperate with financial institutions to follow up developments.

Although many countries may have problems finding specialists to analyze the information, such as legal experts, lawyers, and auditors, one country, at least, has been able to solve this problem.

6. Reporting on Cash Accounts

The group handling monetary affairs agreed that reporting on cash transactions is useful for every country. As high technology is being used worldwide, attention should be given to electronic transfers by money launderers.

7. Regulations That Financial Institutions Must Follow

There needs to be assurance from financial institutions on cooperation to fight money laundering. Regulations should be drawn up as guidelines for financial institutions to follow. They should be studied by law enforcement authorities and financial institutions themselves. It is important to organize training for employees of financial institutions. Staff and employees of commercial or noncommercial banks are encouraged to receive the training.

8. Follow-Up on Implementation

The government agencies in charge of overseeing financial institutions should play an important role in following up on implementation of the policy on money laundering. They should be given adequate power to take action, if needed, although there is still no direct law to control money laundering. Non-staff auditors should be given a role in overseeing this and penalties should be meted out for financial institutions which do not uphold the regulations.

9. Further Steps To Be Taken.

1. Controls on money laundering should be expanded to other major crimes, including narcotics drugs.

2. Reports on suspicious transactions should be required even in countries where there is no law on this matter.

3. A coordinating committee should be set up by financial institutions and law enforcement authorities to oversee preventative measures against money laundering and to achieve the goals.

4. Expanding measures on prevention of money laundering to cover other services of financial institutions in addition to ordinary services offered to their customers.

ASEAN Customs Officials To Help Expedite AFTA

BK2401145095 Jakarta SUARA PEMBARUAN in Indonesian 23 Jan 95 p 4

[FBIS Translated Text] Denpasar, 23 Jan—The ASEAN member countries Directors General of Customs will undertake concrete measures as an effort to accelerate the establishment of the ASEAN Free Trade Area (AFTA).

Datuk Ajit Singh, the ASEAN secretary general will open the ASEAN Directors General of Customs two-day meeting this Friday [27 January] in Nusa Dua, Bali.

The meeting, which is initiated by the ASEAN secretary general, will discuss the necessary measures to expedite the process of implementing the AFTA, which would be expected to finally and positively contribute toward the implementation the World Trade Organization (WTO).

As reported by ANTARA, following the endorsement of the World Trade Organization, WTO, to replace GATT on 15 December 1994 in Marrakesh, Morocco, the WTO member countries were expected to open their markets wider in an effort to further accelerate the international free trade system.

Datuk Ajit Singh said: "As a regional cooperation group, ASEAN needs to embark on necessary concrete steps through AFTA to accelerate the success of the international liberalized trade and to anticipate the WTO programs."

The two-day meeting will discuss four major issues such as the standardization of ASEAN's nomenclature tariffs, the training for customs officials on WTO's system, the standardization of the tax system and procedures, and the computerization of the systems and procedures.

Meanwhile, Suharjo, Indonesia's director general of customs said as an effort to hasten the implementation of the AFTA, it is necessary for ASEAN member countries to stand united in presenting their views.

He said ASEAN's Directors General of Customs had not conducted any meeting over the last two years. However, with the endorsement of the WTO, it is hoped that similar meetings will be resumed and conducted on a routine basis.

According to Suharjo, the ASEAN customs officials are facing a major problem with taxes because of the diverse systems and regulations of the member countries.

Japan

Reaction to Clinton's State of Union Address

Correspondent: Address 'Not Fresh'

OW2801044695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Jan 95 Evening Edition p 3

[By Yoji Koike]

[FBIS Translated Text] Washington, 24 Jan—U.S. President Bill Clinton's State of the Union address on the evening of 24 January was made following the Republicans' victory in the congressional elections for the first time in 40 years. In the address he had to seek harmony with the Congress while he also tried to justify his achievements. As a whole, the Clinton address did not sound very fresh, and it probably does not have enough power to persuade the public. Facing deep-rooted criticism from voters and severe attack from Republicans, the Clinton administration defined the State of the Union address as an "important step to revitalize the administration." Yet, it seemed the address failed to achieve its objective.

In the address, Clinton issued a plea for a "new covenant with U.S. citizens" to advocate activation of the economy, reform of government operations, and establishment of the self-support principle. With the proposal, Clinton tried to show his middle-of-the-road color. However, the "new covenant" proposal is not a new concept as it was hammered out in Clinton's inauguration address. Despite its clear objective, methodologies still remain uncertain.

The only noteworthy proposal in the address was increase of the minimum wage to secure a better livelihood for the middle class. But this policy was made in view of the fact that large numbers of middle-class voters said no to the Democratic administration due to their economic difficulties. In this sense, this is nothing more than a "carrot" to attract voters.

On the other hand, Republicans ruling the Congress have negative views on increase of the minimum wage since it may narrow down employment opportunities. Under such circumstances, it is uncertain if the minimum wage bills can smoothly pass the Congress.

Referring to the role of government, Clinton stressed the achievements of administrative reform reached through the efforts of his administration. But the U.S. public might not be satisfied with this because they are calling for more drastic reform of the federal government. The Clinton address could not wipe out the impression that Democrats prefer a "big government," and, rather, Clinton's remarks justifying governmental roles may have given the impression that he has a negative view on administrative reform.

Many Americans felt the Republicans' "Contract With America" proposal is more drastic and realistic to scale down the activities of the federal government. In future debates at the Congress, Republicans are likely to attack Clinton for his inadequate administrative reform policy. Clinton spent most of the time discussing domestic affairs—economic issues, in particular. This attitude is peculiar to U.S. administrations since the conclusion of the Cold War, and the 1994 State of the Union address was the same on this point. However, the 1994 address sounded more positive about settling domestic problems. This probably means the power of the Clinton administration has been drastically weakened in the Republican-led Congress.

Editorial: Domestic Politics Stressed

OW2801051895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Jan 95 Morning Edition p 2

[Editorial: "Domestic Politics-Oriented U.S. President's Address"]

[FBIS Translated Text] U.S. President Bill Clinton's "State of the Union address" announcing his administrative policies has turned out to be one which was domestic politics-oriented, reflecting the political mood of the Democratic Party which suffered a major defeat in last fall's mid-term elections. Given the historical reality of both the upper and lower houses being dominated by the Republican Party, he had to announce his willingness to cooperate with Congress. His speech in its overall tone was conspicuously defensive of failures in the first two years of administration, admitting "I have made mistakes sometimes."

The key term of Clinton's address was the "new covenant." The president said the meaning of it lies in "how to bring the people to adapting themselves to the new economy, how to turn the government into one fit for the times, and how to repair the defrayed bonds of community, and to enable it to cooperate toward common purposes."

In his key term, there was not even a hint of the expression "change" cited in the presidential inauguration speech. His address was one that smelled strongly of his political considerations with eyes on the presidential election coming up in two years from now. He spoke about tax reductions to help the "middle-income bracket"—the issue which is believed to be the main reason for the Democratic Party's defeat in the mid-term elections.

With respect to diplomacy and security, he said, "We cannot be strong at home unless we heave leadership in the world." But his statement was so weak that one could not believe it was coming from the President of the United States which used to call itself the "policeman of the world."

If this is a revelation that isolationism—the thought that the United States should not get involved in anything where the nation's interests are not directly tied—is wrapping up the whole United States under the Republic

Party-dominated political dominance, then our nation as its ally should not be shortsighted about it.

Superficially, it looked like a regular address given in an amicable atmosphere but one could see easily from his speech that the superpower, the United States, is also a troubled country.

The overall economy may be looking up but nobody wants to give the President credit for it. That sort of atmosphere caused the defeat for the Democratic Party. There is a spreading nihilism [preceding word in English] about politics which makes people think that if their life becomes difficult, it is because of bad politics, and that if life becomes easy, then it is because they themselves have done well.

Dr. Gaston Sigur of George Washington University's East Asia Institute, who is an expert on Japan-U.S. relations, said: "What you need to do for the next two years is to wait for the time to pass, not expecting anything to happen with the politics of our country."

The Republican Party is now all pepped up, believing that having won a historic victory in the mid-term elections, it has a chance to regain the presidency from the Democratic Party. Meanwhile, President Clinton wants to do all he can to regain his position in the next two years before the reelection. Both parties will fight fierce battles, and the top priority for both of them will be the gaining of points toward the presidential election.

What is demanded of our country's diplomacy at a time like this is not to lean on either of the two parties, and yet build up strong relations with the United States.

Editorial: Speech Lacked 'Dignity'

OW2801060195 Tokyo SANKEI SHIMBUN in Japanese 26 Jan 95 Morning Edition p 2

[Editorial: "State of the Union Address To Make Way for Re- election"]

[FBIS Translated Text] "Today, we will hold a ceremony of mystery to give a new life to the United States. This ceremony will be held in the midst of winter. However, we can bring spring to us through the words we speak and the bearings we take toward the international community. Spring regenerated in the world's oldest democratic nation will bring us a vision and courage to reconstruct the United States." This was the speech Bill Clinton delivered when he was inaugurated as the 42d President of the United States on 20 January in 1993 (U.S. time). Quoting the third President Thomas Jefferson, Clinton also stated: "Sometimes, we need drastic changes to protect the foundation of the nation."

Two years have passed since then. Did spring come to the United States and bring about drastic changes, and establish the foundation of this nation?

When looking back at these years, we can only say that the politics of Clinton, who took office under a banner of "change," ended in failure. Wages of average workers decreased compared to 20 years ago, the education system is ruined, medical and welfare expenses are inflated, and crime is increasing and becoming hideous. Even the credit he received for concluding the North American Free Trade Agreement (NAFTA) and creating 6 million new jobs was blown away due to the crushing defeat in the mid-term elections last November.

American people chose Clinton as President, placing their hopes in his new middle-of-the road democracy. But, contrary to their expectations, the Clinton administration adopted the same old liberalism of the Democrats. We cannot but say that this point was his mistake. Over 60 percent of the middle class strongly opposed Clinton's "big government" which is giving away taxpayers' money to drug addicts, alcoholics, and single mothers as social welfare. This is what resulted in the dismal failure of the last elections.

Under this political situation that is unkind to him, how will Clinton get out new messages to project new images? We kept an eye on his State of the Union Address delivered on 24 January (U.S. time).

However, what Clinton set forth—after stressing the need for sharing responsibilities between the government and the people—was the policy to mainly assist the middle income class by cutting taxes and raising the minimum wage. Isn't he too conscious of reaction from the Republicans? We now know that the goal of this speech was apparently to pave the way for his re-election in the next presidential election to be held in two years.

Clinton's State of the Union address had neither philosophy nor ideals for discussing global issues. It was a shame that it had no dignity befitting a speech by the U.S. President.

Editorial: Lacks 'Freshness'

OW2901140495 Tokyo MAINICHI SHIMBUN in Japanese 26 Jan 95 Morning Edition p 5

[Editorial: "Where Have Change and Internationalism Gone?"]

[FBIS Translated Text] It is said that the president of the United States can spell out drastic policies only during the first two years of his term. This is because by the time of the third summer since his inauguration, a virtual presidential race has begun, and politicians of the opposition party successively announce their candidacy for presidential candidate.

Opposition politicians who run for their party's presidential nomination always criticize the incumbent president severely. It goes without saying that Republican candidates will start to criticize President Clinton in chorus this fall.

The content of the State of the Union address that President Clinton delivered on 25 January (Japan time) took into consideration expected criticism of himself. The Democratic Party, led by President Clinton, was defeated decidedly in the U.S. congressional "midterm elections" last November. As a result, the Republican Party has seized the majority in both houses of the Congress.

The President's eagerness to somehow come back from this defeat in the midterm elections was felt throughout this year's State of the Union address. As for the reason for the Democrats' defeat in the U.S. congressional elections, it has been pointed out that middle-class people who voted for President Clinton in the last presidential election have fallen away from the Democratic Party.

For this reason, President Clinton emphasized his intention to implement tax cuts for the middle class in a bid to restore his popularity among its members. In noting his achievements over the past two years, the President also emphasized the creation of almost 6 million new jobs. Moreover, he pledged to continue economic pump-priming measures and to give support and favorable treatment to individual firms and others.

In his speech in 1992 after he became a presidential candidate, the President endorsed a "covenant with the American people," in which he pleaded to promote change. In this year's State of the Union address, he stressed a "new social compact" which will succeed that covenant.

Probably for this reason, more than 90 percent of his speech focused on domestic issues, in emphasizing the accomplishments achieved during the past two years. Moreover, the President proposed tax cuts for the middle class and measures to raise the minimum wage, and he promised to strengthen measures to prevent illegal immigration.

Meanwhile, the President made very little mention of foreign affairs. In his speech, which lasted over an hour, little time was devoted to foreign policy. The President strongly called for the ratification of the second Strategic Arms Reduction Treaty (START- II). He touched on the agreement with the DPRK (North Korea) on the nuclear weapons issue, and he asked for foreign countries' cooperation in taking measures to prevent terrorism. He did not mention the Chechnya issue, nor his overall policy toward Asia.

Because the President did not much discuss foreign affairs in last year's State of the Union address, there were concerns that "the United States was focusing its strategy on domestic affairs." It was also feared that the United States would become isolationist.

On the other hand, last year's State of the Union address stressed the importance of health care reform, in spelling out his enthusiasm for "change." However, while this year's State of the Union address declared a "new social compact," it appears that it failed to express enthusiasm for "change" and the idea of rebuilding the United States. The President did not talk much about cutting the federal deficit and reforming the health insurance system.

For this reason, many of his policies seemed to cater to American public opinion, which is said to be increasingly conservative. It cannot be denied that the President's policies conspicuously lacked freshness and strong appeal.

We would like to be able to expect the President, who was born after World War II, to tackle "change" in a positive manner. We strongly hope that, without bending to public opinion, the President will continue to make efforts to tackle the policy of "rebuilding" the United States and promote diplomatic policies which will not accelerate isolationism.

Negotiators Hit Snag at 'Serious' Auto Talks

Talks To Resume 'Next Month'

OW2801014795 Tokyo KYODO in English 0133 GMT 28 Jan 95

[By Antonio Kamiya]

[FBIS Transcribed Text] Washington, Jan. 27 KYODO—Japanese and U.S. negotiators Friday [27 January] hit a snag after three days of "serious" talks on autos and auto parts trade but promised to give it another try next month.

Top negotiators from the two countries said they agreed to hold another round of talks in Tokyo before mid-February in a bid to sort out differences on complex technical issues surrounding auto trade.

"Both sides worked very hard but there is still a significant gulf between the U.S. and Japanese positions on all the significant issues," Undersecretary of Commerce Jeffrey Garten told reporters after Friday's final session.

Japan's Vice Minister of International Trade and Industry Yoshihiro Sakamoto, the lead Japanese negotiator, also pledged to do "whatever we can" to fill the gap and hammer out an early agreement.

"Our hope is to conclude a good agreement as early as possible," Sakamoto said in a news briefing for Japanese reporters.

Garten and Sakamoto, who has taken over the auto talks from his predecessor Sozaburo Okamatsu, also sought to project a sense of seriousness and eagerness on both sides, both describing the tone of the talks as serious, business-like and constructive.

"There was a clear desire on both sides to reach agreement," Garten said.

Behind that expression of goodwill, however, were some sharp differences of opinion on such issues as an approximate target date for completing the talks to the long-festering dispute of how to measure "progress" in the opening up of Japan's markets to foreign goods.

The current round of auto talks in Washington was the first since the two sides broke off their negotiations in early October.

Garten said the United States hopes to wind up the car talks, which have been languishing over the past 18 months, by the end of March, describing the target date as a "benchmark" for negotiations.

Sakamoto said Tokyo will not be bound by any deadline.

"If we can do it by March, fine. Otherwise, the negotiations should carry on. The important thing is to get a good agreement," Sakamoto told reporters.

At issue in the auto talks is a U.S. demand that Japan expand the number of dealerships carrying foreign cars.

Also, the U.S. wants the Japanese Government to ease regulations covering the use of replacement car parts and an increase in the sales of U.S.-made parts to Japanese car makers, both in Japan and its transplant operations in the U.S.

Sakamoto said the Japanese side has proposed a "matchmaking" system to help U.S. carmakers line up potential car dealers in Japan and suggested the possibility of a breakthrough under the Japanese formula.

"We have made some progress here, I think further progress is possible on the basis of our proposal," he said.

On sales of U.S.-made car parts to Japanese auto manufacturers, Sakamoto said the Japanese Government is ready to help foreign suppliers break into the Japanese market through import promotion and government-financed credits.

Beyond that, he said, the purchase of car parts by automakers is a business proposition that is "beyond government reach" and thus outside the framework of government-to-government negotiations.

Garten said the U.S. is ready to talk directly to Japanese automakers about their purchase plans for foreign-made parts, and Sakamoto said the Japanese Government has no reason to object unless Washington applies "any kind of pressure" on the Japanese firms.

The U.S. is counting on Japanese automakers to come up with a new "voluntary" purchase plan for foreign auto parts to replace a three- year purchase program that is set to run out by the end of March.

After three days of talks in Washington, the two sides also acknowledged that they have yet to narrow their differences on how to handle the question of "objective criteria" in the auto issue.

The two countries agreed to use "objective criteria" under a framework trade accord concluded in 1993 to measure progress of the opening up of the Japanese market and incorporate the criteria in bilateral trade agreements.

"There is no possibility of any agreement without our ability to measure progress," Garten said.

U.S. Data Said Misleading

OW2801033395 Tokyo KYODO in English 0314 GMT 28 Jan 95

[FBIS Transcribed Text] Washington, Jan. 27 KYODO—The Japan Automobile Manufacturers Association (JAMA) on Friday [27 January] slammed the U.S. Commerce Department, accusing it of issuing misleading data on the politically sensitive auto trade between the two countries.

The Japanese trade group said the Commerce Department "has not provided all the facts" in press materials released prior to the high-level auto talks that took place this week in Washington.

Citing a Commerce Department chart that shows the import shares of cars and trucks account for 33 percent of the U.S. market, JAMA said "the fact" is more than half, about 17 percent, of that share represents vehicle imports from the U.S. "Big Three" manufacturers from their affiliates in Canada and Mexico.

Non-Big Three imports represent about 16 percent of sales from 15 other international manufacturers, JAMA said.

The U.S. Commerce Department chart shows the import shares of cars and trucks account for 4 percent of the Japanese market, but JAMA contends the department deliberately uses a figure that includes "mini cars and trucks which are not produced by U.S. companies."

When only the passenger car market is taken into account, JAMA argues, imports garnered 12 percent of the Japanese market last December.

JAMA also said that excluding Canada, Japan is the world's largest importer of U.S.-produced vehicles.

Commenting on the Commerce Department data showing auto trade accounts for 59 percent of the U.S. trade deficit with Japan, JAMA said that the U.S. auto gap with Canada was even larger, proportionally: 9 billion dollars out of an 11 billion dollar overall trade deficit in 1993.

Jama also slammed the Commerce Department data that showed an increase in the dollar amount of auto parts imports from Japan—from 12.3 billion dollars in 1993 to 14.2 billion dollars—and that overall imports account for 32.5 percent of the U.S. market.

This increase in dollar terms "results solely from dollar devaluation," JAMA said.

The volume of auto parts from Japan did not increase despite a 12 percent increase in U.S. vehicle production, it said.

JAMA said the Big Three are among the biggest auto parts importers from Japan, accounting for some 4 billion dollars of the total.

"Overall the Big Three are responsible for at least half of the 32.5 percent Commerce Department figure," it said.

Tsutsumi on Agreement Gap

OW3001065395 Tokyo KYODO in English 0645 GMT 30 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO—Japan and the United States were unable to bridge differences over ways to improve foreign access to Japan's autos and auto parts markets during talks in Washington last week, a senior Japanese Government official said Monday [30 January].

"Areas that are difficult to converge on remained until the final moments of the two days of discussions," Tomio Tsutsumi, vice minister of international trade and industry, told a news conference.

Tsutsumi was commenting on subcabinet-level auto talks held in Washington on Thursday and Friday, the first such talks since the two countries broke off negotiations in early October.

Tsutsumi, however, did not go into specifics of last week's negotiations, noting working-level talks will resume in Tokyo in the first half of February.

"The latest talks were devoted to clarifying the 'ring for wrestling' by exchanging views," Tsutsumi said.

Japan and the U.S. ended the two days of talks without reaching accords due to differences over "complex technical issues," according to reports in Washington.

Yoshihiro Sakamoto, vice ministerof international trade and industry minister for international affairs, led the Japanese team, while Commerce Undersecretary Jeffrey Garten headed the U.S. delegation.

Tsutsumi denied some reports that both parties have agreed to set the end of March as a deadline for settling the autos and auto parts talks, the only pending area under bilateral "framework" talks.

"Washington appears eager to settle the issue before the end of March but [word indistinct] did not make any commitment to a time frame in the talks," Tsutsumi said.

Turning to the damage by the devastating Jan. 17 earthquake in Kobe and surrounding areas, Tsutsumi said resumption of gas supplies in the affected areas may take time longer than expected.

"We are working hard on reconstruction work for gas facilities but my impression is that we need more than a month and a half, the original target for resumption," Tsutsumi said.

Auto Group Refutes U.S. Demands

OW3001042695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jan 95 Evening Edition p 2

[By the General American Bureau]

[FBIS Translated Text] On 27 January, the Japan Automobile Manufacturers Association [JAMA] compiled its reports against U.S. demands in the automobile and auto-parts negotiations under the Japan-U.S. economic framework talks, through its office in Washington. In refuting the U.S. claim that it is not demanding that Japan set numerical targets in the negotiations, JAMA maintained that the U.S. Government "is virtually demanding numerical targets by demanding the formulation of voluntary plans for auto parts purchases and by making other requests."

Editorial on Negotiations

OW2501150095 Tokyo YOMIURI SHIMBUN in Japanese 25 Jan 95 Morning Edition p 3

[Editorial: "What We Hope For on the Resumption of Auto Negotiations"]

[FBIS Translated Text] Negotiations on automobile and auto parts under the Japan-U.S. economic framework talks will resume for the first time in about four months.

Negotiators from the two countries will focus on three topics: 1) the relaxation of regulating the Japanese replacement auto parts market; 2) the expansion of opportunities for Japanese firms to purchase foreign-made auto parts at home and abroad; and 3) the expansion of Japan's imports of finished automobiles.

Both Japan and the United States have already agreed that they will not discuss setting any numerical targets and exclude matters beyond the governments' reach from discussions in the negotiations. The negotiators also will focus their discussions on how to relax Japanese replacement auto parts market regulations.

The automobile and auto parts sector is one of the sectors that, at the 1993 Japan-U.S. summit, leaders of the two countries agreed to give priority to their settlement, but the sector still remains unsettled.

The Japan-U.S. negotiations on deregulation and competitive policies, which began last fall, are now entering the final stage.

Japan should seek to strike deals with the United States in ways that benefit the Japanese economy and consumers by promoting those negotiations in parallel with a five-year plan for the promotion of deregulation that the government is set to draw up by the end of March this year.

Japan's imports of cars from the United States and other nations are largely growing. The 1994 sales of foreign-built automobiles in Japan jumped about 50 percent over a year ago, registering a record 300,000 units. The amount of American-made auto parts purchased by 11 Japanese automakers in 1994 is expected to exceed their voluntary purchase target of $19 billion.

The November trade statistics released last week by the U.S. Commerce Department in response to those moves showed the first-ever 7-percent fall in Japan's trade surplus with the United States. Signs are seen of a change in the Japan-U.S. trade imbalance.

At a news conference held shortly after the latest Japan-U.S. summit, President Clinton showed his favoring this trend by saying: "I believe that if the Japanese economy grows at the same pace as that of the United States, the U.S. trade deficit with Japan would be reduced."

We hope that both Japan and the United States will spur moves to correct their trade imbalance by quickly striking a deal in the automobile and auto parts sector negotiations, work to make certain a change in the U.S. administration's stance on Japan, and work to develop their bilateral relations in broad ways as the leaders of the two countries agreed to do at their latest summit.

At the present stage, Japan-U.S. economic relations do not warrant unqualified optimism. The U.S. trade deficit with Japan in 1994 is certain to exceed that country's all-time high deficit in 1993. The President has pointedly stated: "The bilateral automobile and auto parts trade accounts for three-quarters of the total U.S. trade deficit with Japan and it is impossible to resolve the issue of the U.S. trade deficit with Japan unless the automobile and auto parts trade imbalance is corrected."

With regard to the Japanese automakers' voluntary purchase target of American-made auto parts, the U.S. administration and the auto parts industry are showing a posture of directly pressing each Japanese automaker for a large increase in its imports of American-made auto parts.

It is not undesirable at all that the governments and automobile and auto parts industries of Japan and the United States have a forum for discussions. It can be said that it is rather desirable if they use the forum as a venue to hold forthright discussions and deepen their mutual understanding for the solution of bilateral trade issues.

The U.S. administration and auto parts industry appear to be moving to use the forum as a venue to force Japan to pledge to a commitment like numerical targets. These moves would only serve to nip the bud of a desirable change taking place in Japan-U.S. economic relations.

We urge both Japan and the United States to hold discussions in intergovernmental negotiations while respecting each other's independent judgment and efforts.

U.S. Strategic Plan 'Shocks' Okinawa Officials

OW3001021695 Naha RYUKYU SHIMPO in Japanese 27 Jan 95 Morning Edition p 3

[FBIS Translated Text] The Okinawa Prefectural Government is shocked at the Pentagon's new strategic plan, revising its east Asian strategy—which was mainly aimed at reorganizing and withdrawing some of the U.S. Military in Japan—and stipulating the "maintenance of the current strength." The prefectural government is now trying to gather more detailed information and analyze the new plan. The prefectural government's Policy Coordinator Choko Takayama indicated a stand of rejecting the new strategic plan, which rules out a reduction of military strength, saying: "It is unbearable to be forced to live with excessive military bases, even 50 years after the war's end."

The new strategic plan will be submitted to Congress in February, and its timing overlaps with the submittal of a report on "Overhauling the Japan-U.S. Security System" to be worked out by the Pentagon based on the law on reviewing defense spending. In view of this, Policy Coordinator Takayama said: "It is necessary to check how the new strategic plan is related to the law on reviewing defense spending."

The Pentagon has developed the plan despite the fact that the reduction of the U.S. Military bases on Okinawa was confirmed at the recent Japan-U.S. summit talks. In this sense, officials of the Military Base Affairs Office of the prefectural government expressed their puzzlement over the new plan, saying: "It is disappointing if the plan is to stop the trend of reducing troop strength." Policy Coordinator Takayama added: "The new plan is not good for Okinawa, which has been calling for the reduction of the military bases. Stability should be secured through economic exchanges and peaceful diplomacy, which do not require a military presence. We have no choice but to persistently push back the hard wall."

The prefectural government is scheduled to send Policy Coordinator Takayama and Councillor Masaharu Yoshida to Washington on 4 February to request that the Pentagon examine U.S. Military bases on Okinawa in accordance with the law on reviewing defense spending. However, the new strategic plan puts cold water on such a move of the prefectural government.

Mayor Demands U.S. Turn Over Supply Depot

OW2901101995 Naha RYUKYU SHIMPO in Japanese 28 Jan 95 Morning Edition p 2

[FBIS Translated Text] On 27 January, Urasoe Mayor Seiko Gibo visited the Okinawa Prefectural Government, and for the first time, officially demanded the return of the Makiminato Supply Depot. After showing concern over the fact that a U.S. proposal to transfer the Naha Military Port to the Makiminato Port area has been under study, he emphatically expressed his stand of "opposing the plan."

Gibo expressed his anxieties over the present situation, in which the "Special Working Group on the Naha Port Facility" was established under the Japan-U.S. Joint Committee last December, and the U.S. Forces-proposed plan to "move [functions of Naha Military Port] to Makiminato" has come to the public's attention, just as the Urasoe City's West Coast Development Project has begun.

He said: "The west coast of Urasoe City should be developed not as a military base but as an economic base in a bid to establish Okinawa's economic independence. I cannot approve the transfer plan." At the same time, Gibo touched on the issue of the return of the Makiminato Supply Depot, saying: "Most landlords who rent their lands to the U.S. Forces think that if they can receive higher land rent than the present amount, they will support the return plan. I myself also reached a strong resolution to promote this request."

In response, Tatsuo Matayoshi, director of the Governor's Executive Office, said: "If the central government reaches a certain decision, we will also have to study your request from a comprehensive viewpoint so as to secure the interests of Okinawa Prefecture, while considering the development programs of the local governments."

Murayama: 'No Change' in APEC Forum Schedule

OW2901021595 Tokyo NHK General Television Network in Japanese 1227 GMT 27 Jan 95

[Announcer-read report with video; from "NHK News 7" program]

[FBIS Translated Excerpt] Continuing from yesterday, the lower house Budget Committee in its interpellation session today discussed the Hanshin earthquake disaster. [passage on the treatment of disaster relief volunteer workers and the mobilization of Self- Defense Forces troops in relief operations omitted]

Then, a member of Sakigake [Harbinger Party], Seiji Maehara asked about a meeting of the Asia-Pacific Economic Cooperation [APEC] forum scheduled to be held in Osaka in November.

[Begin recording] Kobe and Osaka were seriously damaged by the earthquake, and there is concern about the possibility of holding the APEC forum. I think Japan should host the APEC forum in Osaka in November as scheduled with hopes that holding meeting will promote the reconstruction of the earthquake-hit area. I hope that the APEC forum will be held as schedled. [end recording]

[Begin recording] [Prime Minister Murayama] We have made an international pledge to hold the APEC forum in Osaka, and there will be no change in the schedule. We will host it. This is the first time such an international conference will be held in Osaka, and I think the people of Osaka must be looking forward to it. Since the meeting is scheduled for November, the meeting will be held without fail. [end recording]

APEC Guidelines for Free Trade Urged

OW3001124095 Tokyo KYODO in English 1229 GMT 30 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO—Prime Minister Tomiichi Murayama called on the Asia-Pacific Economic Cooperation (APEC) forum Monday [30 January] to work out guidelines for free trade.

Murayama made the appeal at the House of Representatives budget committee.

Stressing the need for free trade guidelines, Murayama also said the rules should cover development of human resources and cooperation in regional development projects.

The process toward free trade in the region will be the main subject of discussions at the group's meeting in November in Osaka, western Japan.

Ryutaro Hashimoto, minister of international trade and industry, told the same session that Japan's role is to establish harmony among member countries.

Outcome of Takemura's China Visit Analyzed

OW2701035795 Tokyo SANKEI SHIMBUN in Japanese 24 Jan 95 Morning Edition p 5

[First of a two-part series: "Quick Trip Through Asia; Finance Minister Takemura's Round of Calls"; this installment compiled by Chiaki Hirose and entitled "Making Strenuous Efforts To Mend Relations With China; Taiwan Issue Remains Cause of Trouble for APEC Forum"]

[FBIS Translated Text] Malaysia is reinforcing its opposition to the Asia-Pacific Economic Cooperation [APEC] forum. APEC is led mainly by the United States and China, where rumors about the deteriorating health of supreme leader Deng Xiaoping are circulating. Countries in Asia, which is the growth center of the world, are now going through great changes. Against such a backdrop, Finance Minister Masayoshi Takemura visited three countries—China, Singapore, and Malaysia—in mid-January. It is undeniable that contrary to the attentive diplomacy [kikubari gaiko] of the Murayama administration, which attaches importance to Asia, Takemura faced a number of difficult problems at each stop.

What awaited Finance Minister Takemura as he stepped out of an airplane at Beijing Airport at 1400 in the afternoon of 9 January was a sudden change in his schedule. A plan for Takemura to have a meeting with Deputy Premier Zhu Rongji, which was originally planned to be held on 10 January, was set for only two hours after his arrival. Deputy Premier Zhu is an influential person summoned to Beijing to solidify the regime of President Jiang Zemin, a successor of supreme leader Deng Xiaoping. As there are rumors that Deng's health is failing, Zhu is expected to play a significant role in the post-Deng regime. Finance Minister Takemura, who visited Deputy Premier Zhu at China's guest house Zhonghanhai, started the meeting by saying: "Abiding by the 1972 Japan-China joint declaration, the Murayama administration will never recognize two Chinas because there is one legitimate government."

Over the issue of President Li Teng-hui's attendance at the Asian Games held in Hiroshima last fall, there was discord between Japan and China. None of the key members of the Murayama cabinet visited China after that, and relations between the two countries have been in trouble since then. Setting his sights on the post-Deng Xiaoping era, the finance minister sent out a message of Sino-Japanese friendship anyway.

To China, on the other hand, the construction of stable international relations aimed at the post-Deng era is an urgent task. It appears that the "lead-off meeting" with Deputy Premier Zhu is a reflection of China's need for economic assistance and stance of attaching importance to relations with Japan.

The finance minister, as if he were responding to China's expectations, informed the Chinese Government of a plan to grant a new untied loan of $2 billion from the Japan Export and Import Bank [JEIB] in addition to the fourth three-year yen-based loans, which amount to 580 billion yen.

It can be said that the new loan is supplementary to the fourth yen-based loans and freer financial aid; China was dissatisfied with the scale of the fourth yen-based loans. As regards the issue of China's participation in the World Trade Organization (WTO), Takemura emphatically said: "I regret that China could not become a member of the WTO last year. We will continue to support China becoming a member of the WTO."

Premier Li Peng, who met with Takemura on 10 January, was quite pleased with the attentive diplomacy, which is unusual for a finance minister. At the meeting, Takemura handed over a letter from Prime Minister Murayama. Li opened the letter in the presence of Takemura and quietly said: "I can read Japanese." In this way, he boosted the friendly atmosphere at the meeting. Moreover, Li, as if he was trying to liquidate the past, pledged to realize mutual visits by the top Chinese and Japanese leaders, saying: "The Chinese Government will firmly maintain friendly ties with Japan no matter what happens between the two countries."

Contrary to such a friendly atmosphere, we cannot wipe out the fear that the finance minister's visit may create new friction between the two countries. Premier Li expressed his opposition to the idea of inviting Taiwan's President Li to the APEC forum, which will be held in Osaka in November. Finance Minister Takemura agreed with Li and clarified his view that Japan will not invite President Li. Takemura said: "Accepting China's view, we will make no mistake in dealing with this issue." However, Taiwan maintains the stand of sending President Li to the APEC meeting. Mutual visits by Japanese and Chinese officials may rekindle the Taiwan issue. It is feared that the SPEC, slated to be held in Osaka in November, will have some rough going.

Regarding China's participation in the WTO, the United States is showing its disapproval by saying that "China's market liberalization is not sufficient." Therefore, Japan's unilateral support will excite the United States. At home, the Ministry of Foreign Affairs will oppose the JEIB's loan, which is, in fact, an additional yen-based loan. Because of this, it seems likely that the JEIB loan will become a cause of dispute within the government. Finance Minister has visited China more than ten times. However, the excessively friendly atmosphere has a dangerous side that may come back as a heavy burden in the near future.

Ties to U.S. Seen Obstacle to Close Asia Ties

OW3001005995 Tokyo SANKEI SHIMBUN in Japanese 25 Jan 95 Morning Edition p 5

[Second of a two-part series: "Quick Trip Through Asia; Finance Minister Takemura's Round of Calls"; this installment compiled by Chiaki Hirose and entitled "Japan-U.S. Relations Are a Stumbling Block; Honey-Mouthed Diplomacy Has Its Limits"]

[FBIS Translated Text] "Did Prime Minister Tomiichi Murayama come back from the United States?" On 13 January, at his office in Kuala Lumpur, Malaysian Prime Minister Mahathir, soon after shaking hands with Finance Minister Masayoshi Takemura, made such sarcastic remarks about the Japanese Government's position of leaning toward the United States.

Prime Minister Mahathir is unique among leaders of the Asia-Pacific Economic Cooperation (APEC) forum. He has recently criticized APEC for forgetting its original purpose of discussing mutual economic cooperation and for becoming an organization seeking United States-led trade liberalization. Reflecting such a position, he did not take part in an informal APEC summit meeting in Seattle in the United States in autumn 1993. Moreover, commenting on the Bogor Statement released in Jakarta last year, he criticized the statement, saying: "It is unreasonable to promote market opening in the region, where economic power between industrialized nations and developing countries differs, under an equal footing."

Furthermore, while stressing that Japan should attach more importance to Asia than the United States, he has called on Japan to take part in his proposed establishment of the East Asia Economic Caucus (EAEC), aimed at promoting economic cooperation among ASEAN and Japan. It can be said that for Japan, which gives top priority to relations with the United States, Malaysia is a nation which needs to be dealt with carefully.

However, Finance Minister Takemura, just before concluding his meeting with Mahathir, told him that "you did not refer to your EAEC plan, right?" Takemura added that "in Japan, there is growing support for your idea of promoting dialogue among Asian nations, and if the occasion arises, I, for my part, will persuade the United States," thus unexpectedly encouraging the Malaysian prime minister.

In fact, before the meeting, a senior Finance Ministry official asked Takemura "not to go deep into the EAEC issue" because the United States is critical of the EAEC plan, saying the EAEC will lead to creating a trade bloc in Southeast Asia and Japan's support for the EAEC plan may antagonize Washington. In addition, the Finance Ministry considers the EAEC issue—which affects the keynote of Japan's diplomacy—as being under the jurisdiction of the Foreign Ministry.

Nevertheless, in spite of the Finance Ministry official's advice, Minister Takemura took up the EAEC issue and went so far as to say "I did not use the word 'participation,' but it may have been written all over my face." It is still unclear whether his remarks reflected his true intention or were mere lip service. But in fact, the Japanese Government has not indicated a clear position on the EAEC issue, over which the United States and Malaysia have had conflict, and therefore there is the possibility that Takemura's remarks will cast a dark shadow over Japan's foreign policy.

There is another difficult issue. Referring to the possibility of his attendance at an APEC summit meeting scheduled for November in Osaka, Malaysian Prime Minister Mahathir said: "It is necessary to put on the finishing touches through working level talks and draw a conclusion through full discussions among the leaders," thus presenting a precondition for his attendance.

What he meant to say is that careful arrangements are necessary to hold the United States' arbitrary decision and execution in check before the Osaka APEC summit, the main goal of which is to adopt a concrete action plan for the liberalization of trade and investment as stated in the Bogor Statement announced last autumn.

In his talks with Mahathir, Takemura indicated his understanding of Mahathir's precondition by saying "your request is reasonable in terms of past developments," and promised to discuss the matter again when Mahathir visits Japan in May. However, the reality is that there is not enough time to lay the groundwork with APEC member nations and that the gap between industrialized nations and developing countries in positions on the APEC meeting in Osaka are becoming wider than expected.

When the finance minister visited Singapore before Malaysia, Prime Minister Go Chok Tong told Takemura: "It will be difficult to come to an agreement at the Osaka meeting, and we might undergo throes of creation." As he expressed concern, the Osaka conference could face rough going. Takemura maintains: "Japan will attach importance to relations with Asian nations while firmly maintaining the Japan-U.S. axis." However, Japan will be firmly sandwiched between the industrialized nations and developing countries if it continues to get along with its Asian neighbors through "honey-mouthed" economic diplomacy.

Tokyo To Stress Fiscal, Monetary Policy to G-7

OW3001113595 Tokyo KYODO in English 1042 GMT 30 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO—Financial officials from the Group of Seven (G-7) major industrialized nations will reaffirm financial assistance for currency crisis-hit Mexico at their meeting slated for Friday [3 February] and Saturday in Toronto, international monetary sources said Monday.

G-7 finance ministers and central bank governors will take up the Mexican issue as a main topic of their upcoming meeting in response to "strong demand" from the United States, the sources said.

Also on the agenda will be the possible impact of the Jan. 17 great Hanshin earthquake in western Japan on the nation's economy and U.S. economic conditions, they said.

Finance Minister Masayoshi Takemura and Bank of Japan Governor Yasuo Matsushita will represent Japan at the meeting.

Japan will inform other G-7 nations about reconstruction measures, both in terms of fiscal and monetary policies, for areas devastated by Japan's most destructive postwar quake, the sources said.

Japan will also express its determination to make utmost efforts not to spoil the moderate recovery of its economy, they said.

On the Mexican issue, the G-7 officials are likely to voice concern that the spread of the Mexican currency crisis and economic turmoil into international financial markets might become an unfavorable factor for the global economy which has entered an expansion phase, they said.

The Mexican peso crash following the country's sudden currency devaluation late last month has affected overseas financial markets, sending currencies and stock prices in Europe and Asia sharply lower.

The G-7 nations will agree on cooperation in assisting Mexico, based on loans by the International Monetary Fund (IMF), the sources said.

Last week, the IMF announced 7.76 billion dollars in new credit to Mexico in a bid to prop up the Mexican currency.

Major governments and private banks worldwide have already agreed on an 18 billion dollar international financial aid package to help Mexico overcome the currency crisis, while the U.S. has considered an additional 40 billion dollars in loan guarantees.

On the global economy, G-7 officials will analyze future developments, considering that inflationary fears remain in the U.S. despite its monetary tightening since last February while high interest rates have partly caused confusion in global fund flows, the sources said.

The officials are also expected to discuss recent rises in long- term interest rates worldwide, particularly in the U.S., amid growing uncertainty over the outlook with speculation about increases in Japanese Government bond issues to finance quake measures, they said.

British Minister Urges Lower Duties on Whiskey

OW3001034195 Tokyo KYODO in English 0308 GMT 30 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO—British Secretary of State for Trade and Industry Michael Heseltine urged Japan on Monday [30 January] to scrap its "discriminatory" duties on whisky, Finance Ministry officials said.

During a 20-minute meeting with Finance Minister Masayoshi Takemura, Heseltine brought up the issue as a long-pending problem between Britain and Japan, the officials said.

Takemura replied that the liquor tax was not the only cause of sluggish whisky imports from Britain as Japan's whisky imports as a whole has been on an upward trend, they said.

Takemura told Heseltine that Japan increased the tax on "shochu" or Japanese white distilled liquor in 1994, while leaving that on whisky unchanged with a view to meeting international requests, they said. Britain has long complained that Japan's tax on shochu is far lower than that on scotch whisky.

While demand for beer has increased, consumption of whisky in Japan has generally decreased and that of shochu has leveled off, Takemura was quoted as saying.

Heseltine told Takemura that the long-outstanding question has made it difficult for his government to satisfy the British whisky industry any more, the officials said.

Takemura replied that the Japanese Government will study the liquor tax issue, taking several things into consideration, including consumption development and fiscal conditions, they said.

Heseltine also asked Japan to allow British insurance giant Lloyd's of London into the Japanese market, the officials said.

Takemura said Lloyd's of London is basically welcome, but because it is a consortium of many individual insurers, there are legal issues that need to be cleared up.

Regarding an agreement between Japan and the United States on financial services trade struck in early January, Takemura and Heseltine confirmed the accord will equally apply to third countries, the officials said.

Meanwhile, Heseltine asked how much impact the latest earthquake in western Japan will have on the country's economy and how much will the reconstruction efforts cost, they said.

Takemura was quoted as replying, "Although there may be negative impact over a short term, Japan's economy as a whole will not be affected badly with the help of rising demand for reconstruction...Or we have to prevent impact from becoming serious."

Takemura told Heseltine that the Japanese Government has unified its efforts to promptly and determinedly proceed with relief measures for the greatest quake since the end of World War II, the officials said. "We will tackle the issue with an aim of creating a safer and more attractive city of Kobe," Takemura was quoted as saying.

Ozawa: Early Diet Passage of Budget Sought

OW3001084095 Tokyo KYODO in English 0757 GMT 30 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO—Japan's largest opposition party will seek early Diet passage of the fiscal 1995 budget with a view to promoting the restoration of Kobe and other areas devastated by the Jan. 17 earthquake, a party leader said Monday [30 January].

"We will ask for changes in the budget, but we will not try to delay debate (on the budget) aimlessly," Ichiro Ozawa, secretary general of Shinshinto (New Frontier Party), told a press conference.

Ozawa said the decision was made at a meeting of four top party leaders earlier in the day.

Mori on Possible Dissolution, General Election

OW2901144595 Tokyo NHK General Television Network in Japanese 1046 GMT 29 Jan 95

[Announcer-read report; from the "NHK News" program]

[FBIS Translated Text] Yoshiro Mori, secretary general of the Liberal Democratic Party [LDP], held a news conference in Aomori City and commented on the future political outlook. He said: In a case in which the opposition parties submit a motion of no confidence against the current administration, we should accept the challenge by dissolving the Diet and holding a general election.

Mori also said that responding to the great Hanshin disaster is an impending political task, and a political vacuum should not be created at a time like this. In thus indicating that he opposes an early dissolution of the lower house, Mori went on to say: "I cannot deny that there have been baseless attacks or attempts to drag down the government over a situation like this great disaster. If that is what the opposition intends to do, then we, as a responsible party that is part of the coalition alliance—although this will be up to the prime minister to decide—will naturally take on such a challenge boldly."

Impact of Quake on Asian Manufacturers Noted

OW3001004195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jan 95 Morning Edition p 3

[Article by Bangkok correspondent Fumio Okamoto; "The Hanshin Earthquake Shakes Up Asian Manufacturers"]

[FBIS Translated Text] The Hanshin earthquake has begun to shake up not only Japanese manufacturers, but other Asian manufacturers as well. Japanese manufacturers operating in other Asian nations have imported most of their key parts and materials from Japan. One Japanese manufacturer after another there is reviewing the production plans worked out early this year because of the disruption in Japanese distribution channels and production systems in the wake of the Hanhshin earthquake. Some Japanese manufacturers, increasingly aware of the importance of lessening their risks, are starting to look for non-Japanese suppliers of parts and materials.

Busan Pipe, a major South Korean steel-pipe maker, planned to import 10,000 tons of steel materials for manufacturing high-quality steel pipes from Kobe Steel Ltd. by the end of February. The Port of Kobe was incapacitated by the Hanshin earthquake, which will cause an impediment in the production plans of the South Korean steel-pipe maker. The South Korean steel-pipe maker, therefore, has begun to make a sweeping review of the production plan, including advancing the production of high-quality steel pipes with the supply of steel materials from Pohang Steel.

Japanese automakers in Malaysia will adjust their production by extending the Lunar New Year's holidays. Rodoua Manufacturing [name as published], which procures auto parts from Daihatsu Motor Company, will extend the original three holidays of the Lunar New Year by two days. Proton [name as published], which uses auto parts supplied by Mitsubishi Motors Corporation, will suspend production for one day before or after the Lunar New Year. The incapacity of the Port of Kobe is the cause of this one-day halt in production.

Matsushita Television Malaysia, Matsushita Electric Group's base for exports of television sets to Asian nations, planned to import metal molds from Japan for the production of new television sets, but the metal molds still remain unloaded in the Port of Kobe. This has created a situation where Matsushita Television Malaysia, that originally planned to start the production of new television sets in late March, has to postpone their production.

Tifico [name as published], a joint-venture company of Teijin Ltd in Indonesia, planned to import about 1,000 tons of high-purity PTA [expansion unknown] for use as a raw material for producing polyester fiber, but the raw material is waiting to be loaded in the Port of Kobe. Tifico intends to increase the local purchase of raw material, but with the current inventory expected to be drawn down in several days, it may be forced to cut the production, depending on the future supply of the raw material.

Sanyang Industry, a major automaker in Taiwan, has shifted from the Port of Kobe to another Japanese port from which auto parts for the assembly of cars will be shipped to Taiwan. The major Taiwanese automaker says, "So far, we have not been affected by the Hanshin earthquake." The Taiwanese automakers has purchased round-bar steel, a key material for manufacturing two-wheeled vehicles, from Kobe Steel Ltd. that was damaged by the Hanshin earthquake. It seems that "the Taiwanese automakers will have trouble purchasing round-bar steel three months ahead of production."

Asian manufacturers which have not been affected by the Hanshin earthquake may face a delay in the supply of parts and other materials from Japan if Japanese makers preferentially supply their parts and materials to domestic manufacturers. The demand for domestic consumption and exports in Asian nations is still high. Asian nations are voicing concern that the Hanshin earthquake could have an indirect impact on their manufacturers by delaying Japan's supply of parts and materials to them.

Ex-Minister Criticized for Racial Remarks

OW2801161795 Tokyo KYODO in English 1530 GMT 28 Jan 95

[FBIS Transcribed Text] Fukuoka, Jan. 28 KYODO—Former Construction Minister Taku Yamasaki on Saturday [28 January] stressed Japan's identity as a homogeneous nation, in reference to relief efforts for victims of the Jan. 17 earthquake that left hundreds of foreign residents among more than 5,000 people killed.

"I may be nationalistic,...but the state of Japan as one race, one country and one language is an identity that has created this sort of national power after the war," said Taku Yamasaki, a veteran politician of the ruling Liberal Democratic Party (LDP).

Yamasaki, who spoke at a seminar in Fukuoka, western Japan, made the remarks when referring to the great Hanshin earthquake that devastated the western port city of Kobe and vicinity.

"The feeling of Japanese being considerate of Japanese has been shown in relief operations after the huge quake," Yamasaki said.

Critics said the remarks lacked sympathy toward foreign victims and could cause an uproar among their kin.

More than 140 Korean residents in Japan have been included in the 5,000 casualties in the quake, which gutted Nagata ward in Kobe where Korean people keep their own community.

Also, from all over the world, relief goods and rescue workers have been sent to Japan to help people suffering from the quake.

Yamasaki, 58, an eight-term member of the House of Representatives from a Fukuoka constituency, is known as an expert on security issues in the LDP with the experience of serving as director general of the Defense Agency.

Government To Issue Reconstraction Bonds

OW3001122995 Tokyo KYODO in English 1209 GMT 30 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO—The government plans to issue bonds worth hundreds of billions of yen to raise funds for rehabilitation of the western Japanese region ravaged by a massive quake Jan. 17, officials said Monday [30 January].

The proposed bond issue will be incorporated in a supplementary budget for fiscal 1994 to be worked out for reconstruction of the Osaka-Kobe area that suffered massive damage by the quake, the officials said.

Finance Minister Masayoshi Takemura told the Diet on Monday the supplementary budget will include bond issues and tax breaks for swift reconstruction of the district.

The officials said the government will also study whether to suspend income tax cuts ahead of a consumption tax hike in fiscal 1997 in order to prevent deterioration of state finances.

They said the proposed bond issue will amount to hundreds of billions of yen in view of the severity of damage caused by the worst earthquake in Japan since 1923.

According to official statistics, more than 5,000 people were killed while more than 100,000 homes and buildings were destroyed or damaged.

Private think tanks estimate damage caused by the tembler at 6-8 trillion yen.

The government earlier planned to issue construction bonds to finance rehabilitation of the quake-hit area but is now considering changing its mind in view of extra funds required, such as construction of makeshift housing for victims, the officials said.

Chief Cabinet Secretary Kozo Igarashi told a news conference Monday that the government will go all-out to complete 30,000 makeshift homes for quake victims by the end of March.

Igarashi said 11,000 houses have already been ordered from builders, of which 6,000 are under construction. He said 200 will be completed by mid-February.

"We are studying all aspects and possibilities (concerning fund raising), and we hope to make a decision as soon as possible," he said.

A senior official of the Liberal Democratic Party, the largest of the three coalition parties, opposed the government's rehabilitation bond issue plan.

Koichi Kato, chairman of the party's policy affairs research council, said in a lecture in Akita, northern Japan, rehabilitation costs should be covered by ordinary construction or deficit-covering bond issues.

Kato also said he is opposed to a reported government plan to establish a rehabilitation agency, saying it is useless to create new offices to supervise reconstruction work.

What is important is to set up a political mechanism to back up reconstruction projects such as rezoning to be mapped out by local governments in the ravaged region, he said.

Saito: Bonds as 'Last Resort'

OW3001115795 Tokyo KYODO in English 1119 GMT 30 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO—Vice Finance Minister Jiro Saito avoided making a definite comment Monday [30 January] on the possible issue of deficit-covering bonds to finance restoration of areas devastated by the Jan. 17 earthquake, only describing it as a "last resort."

Saito made the comment at a press conference saying such issuance would come only after studying all other possible means to fund reconstruction-related spending in Kobe and its vicinity that was hit by the massive quake.

"It is quite natural to study every possibility for financial resources but we have yet to decide the scale of a supplementary budget" for fiscal 1994 to study all possible means, Saito said.

"It is not yet time for discussion of deficit-covering bonds," he said.

Asked about a possibility of issuing any special government bonds to finance quake measures, Saito only replied the ministry is now immersed in assessment of expenditures required for restoration, saying the definition of such bonds remains unclear.

He added construction bond issues are unavoidable for quake measures, though.

Turning to growing calls for recompilation of the government's fiscal 1995 initial budget plan endorsed late last month, Saito said the government has no time to spare, while admitting the need to review the content of fiscal 1995 budget plan.

At present, the government is making every effort to estimate swiftly the necessary quake measures for an earlier compilation of another extra budget for fiscal 1994 that ends March 31, Saito said.

It cannot yet afford the time for discussion of any influence on the fiscal 1995 budget, he said.

Murayama Favors Issuing Bonds

OW2901125695 Tokyo KYODO in English 1216 GMT 29 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO—Prime Minister Tomiichi Murayama asked Finance Minister Masayoshi Takemura on Sunday [29 January] to study the feasibility of issuing government bonds to finance the reconstruction of areas hit by the Jan. 17 great Hanshin earthquake, government officials said.

The premier is considering issuing bonds worth several hundred billion yen from a fiscal 1994 second supplementary budget, according to sources close to Murayama's Social Democratic Party.

After meeting Takemura at the premier's official residence to discuss how to foot the bill to rehabilitate towns devastated by the quake, Murayama told reporters his government "can consider" such bonds.

Chief Cabinet Secretary Kozo Igarashi, a government spokesman, said the government will study various means to promote reconstruction.

Murayama is interested in issuing such bonds because the damage from the nation's worst postwar disaster is expected to surpass 10 trillion yen. Meanwhile, tax revenues in the fiscal year ending in April are expected to decline due to the quake, and other revenue sources are difficult to secure, political sources said.

The Finance Ministry is reluctant to issue such bonds because they could worsen Japan's financial health, ministry sources said.

After meeting the premier, Takemura told reporters the issuance of such high-interest bonds would prevent other bonds from selling well while low-interest bonds would cease selling.

The ministry would agree with issuing such bonds if financial sources were secured, such as moving forward the timing of a planned consumption tax hike, the sources said. The 3 percent consumption tax is to be raised to 5 percent in April 1997.

Murayama and 20 other cabinet ministers held an "emergency headquarters" meeting Sunday evening and agreed to do their best to promote the construction of temporary housing for quake evacuees and to prevent price-gouging in disaster areas, government officials said.

Disagreement Over Relief Measures Cited

OW2901101195 Tokyo KYODO in English 0848 GMT 29 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO—The coalition government, and both the ruling and opposition camps all agree it is necessary to enact special legislation to promote the recovery of Kobe and nearby areas hit by the Jan. 17 great Hanshin earthquake, officials said Sunday [29 January].

The government has taken the stand it should basically deal with the disaster under current legislation but does not rule out revision of laws and new legislation.

The three ruling parties—the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and new party Sakigake [Harbinger]—have urged the enactment of new legislation.

The legislation should include restrictions on land and property owners' rights in order to prevent reckless reconstruction and promote the building of disaster-proof towns, officials from the ruling camp said.

Prime Minister Tomiichi Murayama has said "some restrictions on individual rights" will be necessary. The opposition alliance Shinshinto (New Frontier Party) has also urged such restrictions.

Chief Cabinet Secretary Kozo Igarashi said Sunday the government will complete a draft of a bill around Feb. 10 for the recovery of the quake-hit area.

Making the comment during a Japan Broadcasting Corp. (NHK) program, Igarashi said the government is also considering measures which could pose "some sort of restriction on individual rights" if prices of goods in the quake-hit areas rise to intolerable levels.

The quake which struck in the early morning killed more than 5,000 people, destroyed key infrastructure, including buildings and road and rail links, and forced the closure of Kobe port.

Appearing on the same NHK program, Health and Welfare Minister Shoichi Ide said the government is also taking measures to forestall any outbreak of influenza among thousands of evacuees in the Kobe region.

"We have readied enough vaccine for 100,000 people, but after the weekend we will be in a position to vaccinate 10,000 people over 65 if they want it," Ide said.

Murayama has said his government is studying setting up an "organization" through which his entire cabinet will do its best to deal with the disaster.

Some officials from the ruling camp have proposed the establishment of a special government agency or headquarters. Other officials, however, have said creating such a new entity would go against the government's administrative reform drive.

Shinshinto and the opposition Japanese Communist Party have asked the government to compensate individual quake-hit residents for their damage.

Finance Minister Masayoshi Takemura has been negative to the idea, saying individuals should be responsible for their properties.

The opposition camp is especially critical of the government's crisis management system.

Shinshinto Secretary General Ichiro Ozawa has urged the government to make efforts to have Japan's disaster prevention law provide an established command system and an information transmission system for emergencies.

Igarashi, a government spokesman, has admitted the current system requires reviewing.

The government has begun studying the feasibility of setting up an organization like the U.S. Federal Emergency Management Agency (FEMA), but some government sources said FEMA was formed on the assumed potential of an outbreak of nuclear war and is unsuitable for Japan.

The ruling parties have asked the cabinet to set up a function of coordinating rescuers from police, firefighters and the Self-Defense Forces (SDF).

Shinshinto says a revision of legislation on the SDF is needed to enable the swift dispatch of its contingents to disaster areas. The party criticizes the delayed dispatch of SDF teams which waited for requests from the local authorities.

Igarashi asserts it is unnecessary to revise the law, saying SDF contingents are able to act quickly if current legislation is properly used. The ruling parties are of the same opinion as the government spokesman.

The government plans to promote cooperation between local authorities and the SDF in disaster drills.

Article Urges Review of Crisis Management

Revision of Laws Urged

OW2501130395 Tokyo YOMIURI SHIMBUN in Japanese 22 Jan 95 Morning Edition p 2

[Part one of a two-part series: "The Crisis Management System in Crisis"; this installment entitled "Defenseless 'Kinki' Area (the quake-hit southern Hyogo Prefecture area) Shows Its Vulnerability—Revision of Related Laws Needed"] [FBIS Translated Text] Although it is impossible to prevent earthquakes, why have relief and restoration operations been delayed? Defects in the "crisis management" legal and administrative systems have been revealed by delays in communication within the government, confusion in the coordination between central and local governments, and delays in dispatching Self-Defense Forces [SDF]. The great Hanshin earthquake has directly hit the basis of Japan's post-war political and social systems, which have taken "peace and security" for granted.

At the prime minister's official residence on the afternoon of 17 January, the day the earthquake occurred, Construction Vice Minister Shigeo Mochizuki explained the latest situation regarding the earthquake to three ruling party leaders—Prime Minister Tomiichi Murayama, Deputy Prime Minister Yohei Kono, and Foreign Minister Masayoshi Takemura. Mochizuki said: "Quake-hit cities are in chaos. Urban expressways are seriously damaged. Secondary disasters and landslides are possible. We do not have detailed information on the situation yet." This scene vividly illuminates the confusion of the government, which had been at a loss to decide what to do, and its failure to grasp the scale of the disaster even more than nine hours after the earthquake hit.

At 0730 [2230 GMT], the prime minister was informed of the earthquake by his secretary; Chief Cabinet Secretary Kozo Igarashi received this information from his secretary "shortly before 0700." Although Deputy Chief Cabinet Secretary Nobuo Ishihara heard about the incident while watching a 0600 TV news program at home, he did not receive any other information from the ministries and agencies concerned before he left home at 0730. Delays in passing on information to the government nucleus is fatal to the top-down crisis management system for earthquake and large-scale disasters. The communications system of the prime minister's secretariat—in which, at present, secretaries of key government officials receive information from ministries and agencies concerned first, and then they pass it on to government leaders—must be strengthened. At the same time, efforts should be made to improve information "quality," so that accurate information will promptly reach the prime minister's secretariat.

Igarashi has admitted that the government had at first failed to "grasp the scale of the disaster." He said: "Although we had analyzed both our information and that from the mass media, we could not tell that this was such a serious disaster." It cannot be denied that this failure posed a problem to the government's subsequent actions.

The government's disaster task force, which consists of all cabinet members (and headed by Prime Minister Murayama), has been implementing relief and reconstruction steps. However, this is not a legally supported organization.

Regarding the disaster task force, on 21 January, Shinshinto [New Frontier Party] head Toshiki Kaifu urged Murayama to establish an "emergency disaster management headquarters" under the Disaster Management Act, saying: "If there is a legal basis, it would be easier for the prime minister to assume leadership [in relief operations]."

The proposed emergency disaster management headquarters would have authority to take several measures, such as restricting the supply of daily necessities and applying price controls to stabilize people's daily lives, only by issuing government ordinances, while the Diet is out of session. Usually, implementing those ordinances requires enactment of laws. The government has been cautious on this proposal, saying: "The idea of creating a task force with emergency powers should be cautiously dealt with in a democratic society. We are not in the situation of implementing price controls and commodity rationing" (according to Deputy Chief Cabinet Secretary Ishihara).

Actually, some senior National Land Agency [NLA] officials take the view that "there is no merit to establishing such an organization at this time." The administration's failure to improve the legal system so as to enforce practical and mobile emergency steps to deal with earthquake disasters has come to the public's attention.

The Disaster Management Act was issued in 1961 after Isewan Typhoon brought about great damage in 1959. This act is the pillar of about 100 disaster-related laws.

However, at that time, disaster greater than that of the great Kanto earthquake [of 1923] was not considered. Later on, in considering the Earthquake Society's prediction that a big earthquake may hit the southern Kanto and Tokai regions, priority had been given to preparing measures for those areas. Thus, Kinki has been a "blind spot" (according to a senior NLA official).

From the viewpoint of mobile response, "delays" in dispatching the SDF has been this incident's biggest problem.

On 17 January, many people protested and filed complaints against the Defense Agency [DA] over the phone, saying, "What is the DA doing?" At around 0700 on 17 January, some SDF units at Itami Post were sent to Hankyu Itami station to rescue people who had been caught in the disaster, without waiting for local government requests. Their action was based on the SDF Act, which stipulates that "if disaster-hit areas are located near DA facilities, SDF personnel can be sent without local government request." However, this is an exceptional step. Basically, the SDF is supposed to join disaster relief operations at the request of local governments.

The SDF has prepared troop dispatch programs only for large-scale earthquakes in the south Kanto and Tokai regions. The DA has explained that a "dispatch plan for big earthquakes in the Kinki region has not been prepared."

It is said that this is due to the SDF's consideration for civilian control and feelings of some residents who are critical of the SDF. However, the great Hanshin earthquake has caused various issues—such as revision of the SDF Act and the relationship between central and local governments—to surface.

In the post-war era, Japan has taken "peace and security" for granted. However, the collapse of the "safety myth," which happened 50 years after the war's end, has revealed the vulnerability of the government's crisis management ability. People need to seriously discuss ways to secure peace and security.

Use of SDF Indispensable

OW3001001195 Tokyo YOMIURI SHIMBUN in Japanese 23 Jan 95 Morning Edition p 2

[Second in a two-part series: "The Crisis Management System in Crisis"; this installment entitled: "The Use of SDF Indispensable—Full Debate Must Be Held on How To Deal Quickly With Disasters"]

[FBIS Translated Text] The recent earthquake in southern Hyogo Prefecture has exposed many problems in the Japanese crisis management system. Commenting on the problems at a 20 January news conference, Wataru Kubo, secretary general of the ruling Social Democratic Party of Japan [SDPJ], stressed, "We should reexamine the current crisis management system and it is important to revamp the system if necessary."

In the past, the SDPJ, which upheld the policy of defending the Constitution and seeking the demilitarization and neutrality of Japan in connection with handling the Self-Defense Forces [SDF], regarded crisis management itself as taboo. Although the SDPJ made a policy shift concerning the SDF by declaring the SDPJ's policy shift concerning the SDF.

In the past, Prime Minister Murayama opposed an amendment to the SDF Law, which aimed to add the transport of key government officials to the SDF's duties when he served as chairman of the SDPJ. Now, the prime minister went to disaster areas aboard an SDF YS-11 transport plane and cheered SDF personnel working on the rescue of quake victims and the restoration of wrecked structures in the disaster areas. This was a cynical scene.

Looking at the SDPJ as a whole, however, the SDPJ's tendency to regard the SDF as unconstitutional and try to set limits on the activities of the SDF remains unchanged. The SDPJ opposed SDF personnel carrying machine guns when they were dispatched to Rwanda for refugee rescue activities. The SDPJ's opposition resulted in allowing the SDF personnel to carry only "one machine gun."

Article 83 of the SDF Law, which went into force in 1954, stipulates that "the SDF can dispatch personnel to disaster areas for rescue work only when and if local autonomous governments request their dispatch." The article aims to set tough conditions for the mobilization of SDF personnel.

When the ruling and opposition parties were locked in confrontation during the Cold War, a view became widespread in Japan that, "if Japan does not send SDF personnel abroad, it will be in peace." This view has persisted to the present day in Japan. The conception that "the mere discussion of crisis management should be regarded as dangerous," and "more efforts should be made to study ways of keeping the SDF in check instead of studying how to use the SDF" has shackled the debate on crisis management.

In July 1984, then-Prime Minister Nakasone put State Minister Ichiro Nakanishi in charge of crisis management with the specific duties of dealing with major disasters and hijackings. The prime minister also instructed Nakanishi to study ways to strengthen the crisis management function of his cabinet. At the same time, an office in charge of crisis management affairs submitted to the prime minister a report that proposed strengthening the crisis management system. However, both the position of cabinet minister and an office in charge of crisis management disappeared, and the report was quashed four month later when the Nakasone cabinet was reshuffled. This occurred because of criticism from the SDPJ and other opposition parties, and the immature public opinion at the time.

It can be said that such a situation has given rise to the legal inadequacies exposed by the earthquake in southern Hyogo Prefecture.

Atsuyuki Sasa, former chief of the Cabinet Security Affairs Office, stresses that, with the end of the Cold War and the passage of 50 years since the end of World War II, "Japan should rebuild the current unrealistic legal system for the crisis management."

Regardless of whether the deployment of SDF personnel to the quake-hit areas is desirable or not, their deployment proved to be indispensable. Kubo acknowledged the need to amend the SDF Law, saying: "It is necessary to reexamine the current legal system in light of experiences we gained in the recent earthquake."

Problems are not confined to the SDF. If an earthquake equal to the one which hit in southern Hyogo Prefecture hits Tokyo and wrecks the prime minister's official residence while the prime minister is holding a cabinet meeting, leaving him unable to fulfill his duties as prime minister, "there is no manual on how to deal with this situation," (says a government source). The Cabinet Security Affairs Office, created with the aim of strengthening the function of the prime minister's official residence, has been preoccupied with the work of handling national defense policy and measures to prevent hijackings. The office has never functioned as a government organization helping the prime minister deal with any earthquake at home.

In the United States, the Federal Emergency Management Agency (FEMA) has played a role of coordinating between the administration and the military in dealing with any disasters as an independent federal agency. FEMA dealt quickly with the Los Angeles earthquake that occurred a year ago. Many are voicing the need for Japan to create an organization similar to FEMA.

Ichiro Ozawa, secretary general of the New Frontier Party, in his book entitled "The Plan To Rebuild Japan," pointed out that "neither the Constitution nor our laws and legal system envisions crisis management." As specific measures for the crisis management, he called for: 1) Making clear who holds the right to command in dealing with crises; 2) conducting simulation training; 3) creating an organization capable of grasping the correct picture of crises and dealing with them, and 4) appointing a person who is given the right to command and issue orders, and take extraordinary administrative measures.

It is certain that the debate on how to build a crisis management system is an emergency task for the Diet.

Articles on Great Hanshin Earthquake, Politics

Murayama on 'Isolated Island'

OW2501062695 Tokyo ASAHI SHIMBUN in Japanese 24 Jan 95 Morning Edition p 2

[Unattributed article; part one in a series entitled: "Living on an Isolated Island—Quake Information Not Given to Prime Minister": "Great Hanshin Earthquake and Politics"]

[FBIS Translated Text] "The information given on television is totally wrong. The actual death toll must be much higher. You must declare a state of national emergency!" Representative Yuichi Takami yelled to Chief Cabinet Secretary Kozo Igarashi on the telephone on the morning of 17 January.

Only 203 Deaths Reported by Police

Representative Takami (from the 1st Hyogo District, Sakigake [Harbinger]) experienced the earthquake while he was at home in Higashinada Ward, Kobe City. He visited the quake-damaged areas with his portable telephone, and called Tokyo to report what he saw.

Given no clear picture of the quake damage, all Igarashi could say was "I see." Immediately after the call from Takami, the National Police Agency and other authorities reported to him that the death toll was 203—this figure was in line with television reports. However, even this figure was enough to surprise Murayama at the afternoon meeting of government and ruling party leaders.

Murayama got his first information on the quake from a television newscast at 0600 [2100 GMT on 16 January]. He immediately called his secretary, and ordered a report on what was going on. But he had to wait 90 minutes to receive the first response from his secretary. Igarashi also learned about the quake from television. The first report from the cabinet secretariat was submitted at around 0700 [2200 GMT], and preparations for the opening of government headquarters to manage the disaster were ordered.

At a 23 January news conference, Igarashi stated: "We could not get adequate information on the seriousness of the quake damage at the beginning. That is a lot of homework." He strongly felt the Prime Minister's Office was like an "isolated island" where no information was available.

In the case of an emergency, such as a large-scale disaster or accident, information dissemination is supposed to be concentrated on concerned central government agencies—the National Land Development Agency, National Police Agency, and Fire Defense Agency—and gathered information is then passed to the prime minister and chief cabinet secretary on merit through cabinet secretaries dispatched from the agencies. However, the Kobe Municipal Office and Hyogo Prefectural Government could not swiftly provide comprehensive information because the areas were too damaged. As a result, the National Land Development Agency, National Police Agency, and Fire Defense Agency did not receive adequate information. Lack of communication routes from local governments paralyzed the Prime Minister's Office, which has no information gathering mechanism of its own.

Precious Telephone Call

For Igarashi, the telephone call from Takami was the only information source connected directly to the Prime Minister's Office. When Takami arrived at the Kobe Municipal Office on the evening of 17 January, the mayor of Kobe said he had "not yet talked to the central government." Takami immediately picked up the telephone to call Igarashi.

At the 23 January news conference, Administrative Deputy Cabinet Secretary Nobuo Ishihara, who governs all ministries and agencies at the Prime Minister's Executive Office, stated: "When national security is threatened by invasion from external enemies or hijacking, the Cabinet Information Research Office [CIRO] and the Cabinet Security Affairs Office [CSAO] have to immediately report the incident, no matter what time it happens. However, information on natural disasters is circulated among the director-general, the vice minister, and Disaster Prevention Bureau of the National Land Development Agency. I am not involved in the system."

Paralysis of Executive Offices

The office of the prime minister has several executive offices under its direct control. These include the Cabinet Councillors' Offices on External and Internal Affairs [CCOEA, CCOIA], the CSAO, the Cabinet Public Relations Office [CPRO], and the CIRO. Ishihara acknowledged these offices did not function well in coping with the quake aftermath.

The reinforcement of the functions of the Prime Minister's Office is not a new topic. The CCOEA, CCOIA, and CSAO were established under the former Nakasone administration to reinforce the prime minister's executive staff. However, these offices failed in demonstrating their performance. Murayama's close associates are calling for another executive office to cope with natural disasters.

The Murayama administration began to study measures to reinforce the functions of the Prime Minister's Office, and is planning to dispatch survey teams to the United States and Europe as early as April to study the functions of Western countries' top executive offices. The main objective of the study is to reinforce the information gathering capability. A close associate of Murayama's said: "So many bureaucrats are dispatched to the Prime Minister's Office from ministries and agencies, but the information available to us is surprisingly inadequate." Construction work on the new official residence for the prime minister started in 1992, but the new office has not yet been given clear functions.

Barriers To Restoration Efforts

OW2601102695 Tokyo ASAHI SHIMBUN in Japanese 25 Jan 95 Morning Edition p 2

[Unattributed article; part two in a three-part series entitled: "Great Hanshin Earthquake and Politics: Obstacles Everywhere; Legal Walls Stand Before Reconstruction Efforts"]

[FBIS Translated Text] "Please let the Japan Development Bank [JDB] provide interest-free loans to private railway companies in the Kansai area." Isuji Uta, standing director of the Japan Nongovernment Railways Association [JNRA], began running around to call at the Finance and Construction Ministries and the JDB with this plea on 20 January—three days after the earthquake hit the area. From ministers at the top to division directors' assistants at the bottom, he met with 49 officials in all.

Financial Crisis of Private Railways

All railway companies under the JNRA suffered greatly in the recent Hanshin [Osaka-Kobe] earthquake, with the exception of Japan Railway West-Japan Company. Funds necessary for their reconstruction are expected to run to more than 200 billion yen. For instance, the cost of reconstruction for Hanshin Electric Railway will run

70 billion yen, which is more than 10 times the company's ordinary annual profits and more than double its annual income from the railway division. Hankyu Railway, Sanyo Railway, and Kobo Electric Railway are in financial crisis as well.

Immediately after the earthquake, the JNRA asked the Transportation Ministry, which is its supervisory government office, if the central government could provide subsidies to help the companies rebuild their facilities. There are provisions in the current law that enable the government to provide subsidies, but they only apply to railway companies in financial difficulty in danger of going out of business, thus causing a breakdown in railway services. It is difficult to apply the provisions to the big private railway companies of the Kansai area.

The Transportation Ministry has started studying the possibility of easing conditions for the government to provide subsidies, but the Finance Ministry is cautious about the matter. Apparently, it does not look as if any decision will come from these ministries soon. Caught between the two, the JNRA started to think on its own, and came upon the idea of getting the JDB to provide interest-free loans. Given the urgency of the matter, the association ran around with its petition.

So far, its officials have visited government offices and the JDB to make their pleas, and have not started working on the ruling parties yet. The association is afraid that if they take the petition to politicians first, it could hurt the feelings of bureaucrats and ruin the whole thing. They think the old "bureaucrat-led" policy decision-making practice will not change just because this matter concerns reconstruction following a disaster.

Political Message

The great Hanshin earthquake has revealed how poorly the government was prepared for crisis management, and it is apparent that there are obstacles everywhere in the system of providing assistance to reconstruction programs that should come on full stream soon. One such obstacle was witnessed in the process of the cabinet deciding to designate the Hanshin area a very serious disaster area on 24 January.

"The Law Concerning Special Financial Assistance To Deal With Very Serious Disasters (gekishin sakigaiho)" provides a base for the government providing reconstruction assistance. The law enables the government to raise the level of government subsidies on projects for rebuilding public facilities and to provide preferential treatment, like low-interest loans, to medium and small businesses in designated areas.

But before designating an area a serious disaster area, the government is required to conduct a survey on the extent of losses and damages, thus making it impossible to make the designation immediately after a disaster strikes. Even in the latest case, the cabinet wanted to make the designation official at the 20 January cabinet meeting, but the related government offices were not prepared to do so, and the act had to be put off until 24 January.

Chief Cabinet Secretary Kozo Igarashi was proud to announce: "While it takes two months to do them [preparations] normally, we have completed them in one week by working 24 hours a day." However, by then, the urgent action of providing low-interest loans for medium and small industries had already been taken by the government under its decision to regard the area as a "pseudo- designated" area—that decision having been announced on 20 January. As such, designating the area a very serious disaster area was in fact nothing more than confirming it ex post facto.

In fact, it is not even really necessary to further raise the level of government subsidies at this stage. The government's "prompt action of designating" [the Hanshin area a very serious disaster area] this time strongly smells of being a political campaign to publicize its position on reconstruction assistance.

Another unexpected legal wall was found standing before public corporations that wanted to secure government subsidies to rebuild houses destroyed in the earthquake. The law on establishing the Hanshin Expressway Public Corporation contains in it provisions that deal with reconstruction in case of disasters, thus enabling the government to provide part of the funds necessary for reconstruction, but the Housing and Urban Development Corporation law does not contain such provisions. The Housing and Urban ?evelopment Corporation wants to rebuild three rent-purpose apartment buildings. If the corporation cannot get the government subsidies to build them, it thinks it will have no choice but to charge higher rents than in the past after the new buildings are built.

"Budget" Is Perplexing as Well

The government plans to formulate a supplemental budget to appropriate funds necessary for reconstruction assistance. It is likely that budgeting will come in two steps—by securing emergency funds in the second 1994 supplemental budget and by securing full-scale emergency budgets in the 1995 supplemental budget.

But within the Finance Ministry, there are people against it, saying: "Immediately needed emergency funds can be met with the [1994 budget] reserve funds. Is there a need to formulate a second 1994 supplemental budget before we have the overall picture for reconstruction projects?" While officials of the government and ruling parties are crying about the need to "formulate a supplemental budget," the work of actually doing it is only now beginning.

Priority Given to Politics

OW3001013795 Tokyo ASAHI SHIMBUN in Japanese 26 Jan 95 Morning Edition p 2

[Unattributed article; third and final of a three-part series entitled: "Great Hanshin Earthquake and Politics:

Nagata-cho in Silence; Delayed Response, Attention Turns To 'Political Situation'"]

[FBIS Translated Text] On 17 January, the day the earthquake hit, the attention of dietmen at Nagata-cho [a district in Tokyo where the Diet and government buildings are located] was focused on Sadao Yamahana, former chairman of the Social Democratic Party of Japan [SDPJ], and his group's moves to bolt from the party. Dietmen were wondering: "Will they go as far as to leave the party when they pull out from the parliamentary group? How many will actually follow suit?"

With the "Next Move" Crushed

That morning, Yamahana and dietmen closely associated with him were holding their final meeting at a hotel located close to the Diet building. The television in their meeting room was carrying the news of the earthquake. Everyone thought: "It must be quite an earthquake." However, no one thought about calling off the planned move to pull out from the SDPJ's parliamentary group, which they had been preparing for since late last year. A little after 0900 hours [0000 GMT], Yamahana, who submitted a notice to pull out from the parliamentary group, stressed: "We will be the harbinger for the entire party toward forming a new party."

Around the same time, representatives of the former factions of the Liberal Democratic Party [LDP] were holding a meeting at party headquarters to make arrangements regarding the party's candidates for lower house single-seat constituencies. Immediately before the meeting, LDP Secretary General Yoshiro Mori, together with LDP Vice President Keizo Obuchi, proposed setting up a joint election headquarters consisting of the three ruling coalition parties. However, even though the meeting lasted over two hours, hardly any mention was made of the earthquake. The New Frontier Party [NFP], too, decided to set up its election headquarters at a meeting of its "Tomorrow's Cabinet" in the Diet building beginning that morning. However, the "cabinet meeting" was absorbed in preparing for how it planned to make its existence recognized during Diet debates.

For the past two years, the political world has been at the mercy of the forces of "political realignment." The SDPJ has been infatuated with intraparty struggles in a bid to maintain its existence. The LDP has been steadily building a solid foundation in view of the next general election. The NFP has been busy attacking the ruling coalition parties. All three parties had been respectively working on their "next move." However, these moves were crushed as the extent of the earthquake damages began spreading in the afternoon of 17 January.

The LDP could not help but postpone its party convention scheduled for 19 January. In the SDPJ, it was becoming definite that the issue of Yamahana's group pulling out from the party's parliamentary group would be shelved. The NFP, which had been preparing to engage in debates over administrative reform and other issues, saying "earthquakes are earthquakes," decided to propose that the Diet be "in recess for 10 days."

Amidst the outcry for a "political cease-fire," parties called out for setting up a headquarters to deal with the earthquake, and senior party officials ran out onto busy downtown street corners, exerting themselves in fund-raising activities.

However, what appeared to be only makeshift responses caused aggravation in various quarters. During an 18 January news conference, Yokohama City mayor Hidenobu Takahide, who himself has experience as administrative vice minister of construction, openly expressed his distrust toward the central government, saying: "I even feel anger at the central government's crisis management." Criticism was voiced abroad at the Japanese Government, which hesitated to accept foreign aid. The Foreign Ministry denies it was slow in responding, but there is no doubt that matters went hither and thither in the bureaucratic channels of other government ministries and agencies, prefectural governments, and municipalities. Politicians who were good at "laying the groundwork" or "coordinating matters" were unable to fulfill their roles past the walls of bureaucratic sectionalism.

Placing Priority on Keeping the Coalition in Step

The current situation is that complaints about the alleged delayed deployment of the Self Defense Forces [SDF] may become the seeds of new political confrontations. In some quarters of the NFP and other parties, voices are beginning to emerge, saying: "We must take up the issue of crisis management regarding our country and society in a broad sense" (as stated by NFP Secretary General Ichiro Ozawa). Here we can sense a tactic to possibly link the issue of crisis management to a plan to shake up Prime Minister Tomiichi Murayama's administration.

On the other hand, the LDP's Policy Research Council promptly decided to shelve the issue of revising the current SDF Law. Masaharu Gotoda, former LDP vice president, who professes to be a premier expert on crisis management, said: "I cannot say with confidence that I could have responded to such a disaster had I been the chief cabinet secretary. It is improper to conduct debate over revising the SDF Law, letting a disaster spur us on to such debate." In this way, Gotoda took the initiative to shape the mood within the LDP.

This is the result of the LDP's consideration for the SDPJ, which still feels uneasy about the SDF. In some quarters of the LDP, it has been observed that "had the LDP not entered into an alliance with the SDPJ, it is possible that debates over such issues as crisis management and emergency law could have intensified" (as stated by a top LDP official). Former Prime Minister Yasuhiro Nakasone and others actually proposed revising the SDF Law. Fully aware of the existence of rebel forces within the party, the LDP intends to prepare against the NFP's assault by first solidifying the coalition's footing.

Concerns Over Turning Crisis Management Into a Political Issue

It is not the first time that the problem of crisis management has surfaced abruptly. In the past, every time Japan faced an emergency, such as in the cases of the downing of an ROK airliner, collision involving a Maritime SDF submarine, and the Gulf war, there was an uproar over the issue, but each time such an uproar subsided.

When will Yamahana's group resume its activities? Where will the NFP seek clues to its next moves? Politicians' interests are already turning to see how the political situation will develop after the government has wound up its disaster-related tasks for the time being. Will the need to conduct a drastic review of the nation's earthquake-response program and administrative system turn merely into a political issue this time, too?

MITI Weighs Merging JETRO, Other Groups

OW2801070395 Tokyo KYODO in English 0652 GMT 28 Jan 95

[FBIS Transcribed Text] Tokyo, Jan. 28 KYODO—The trade ministry may merge the Japan External Trade Organization (JETRO) with an Asia-centered think tank and combine two energy-related organizations but it has postponed streamlining three financial institutions, official sources said Saturday [28 January].

The Ministry of International Trade and Industry (MITI) is considering merging JETRO with the government-affiliated Institute of Developing Economies, and the new Energy and Industrial Development Organization with Coal Mine Damage Corp., the MITI sources said.

But as it ponders such moves under streamlining reforms pushed by the government, MITI is also putting off the proposed merger or privatization of Shoko Chukin Bank and two other small financial institutions because of the great Hanshin earthquake, they said.

The newly considered mergers would trim the number of public corporations under MITI's aegis to 11.

Such streamlining is to be the centerpiece of administrative reform, which Prime Minister Tomiichi Murayama has called a high priority for his government.

But ministries initially balked, refusing to recommend taking the ax to a single public corporation, many of which have been criticized as money-wasting havens for retired senior bureaucrats.

A MITI source said the ministry thinks merging JETRO and the economic institute could strengthen their "mutual weak points" and form an organization with more global coverage.

JETRO, long focused on promoting trade with the United States and Europe, has been slow to target Asia, while there has been talk of widening the scope of the Asia-centered Institute of Developing Economies, whose Japanese name specifies it as an "Asian economic research institute."

But integration, complicated by moves already under way to move the institute from Tokyo to neighboring Chiba Prefecture, will require further negotiations, the source said.

And the financial institution streamlining has been thrown in doubt by the earthquake, which highlights the lenders' role in rebuilding the shattered Kobe area, the MITI sources said.

Some in the ministry also see no merit to privatizing the institutions and fear a drying up of financing for small businesses if they are merged, they added.

Role of Welfare Pension Funds in Pension System

952A0179A Tokyo KINYU ZAISEI JIJO in Japanese 21 Nov 94 pp 26-28

[Article by Kazuichi Hino: "Welfare Pension Funds Are Cancers That Threaten the Pension Fund System"]

[FBIS Translated Text] **Management Issue Exposes Deficiencies of System**

Recent reports indicate the Japan-U.S. financial talks have entered a climatic stage.

Government and industry officials involved are probably taxing themselves on a day-and-night basis, but for outsiders the situation concerns unusually tantalizing aspects. A typical example is the issue on management of pension assets. However, the issue does not concern domestic and international industry territory issues such as domestic versus foreign capital matters or trust and life insurance versus investment advisers ((banks and securities firms), but the issue of pension fund systems as introduced by the management issue. A study on the status of pension asset management will reveal the true nature of the pension system issue.

The primary U.S. demands concerning the management of pension assets reportedly cover three points: 1) Allow investment advisory firms to handle welfare pensions (**Welfare Pension Demand**); 2) since investment advisory firms are already handling welfare pension funds, relax regulations concerning their management (**Welfare Pension Fund Demand**); and 3) allow investment advisory firms to handle qualified pensions (**Qualified Pension Demand**).

With respect to the "Welfare Pension Demand," on page 36 of its 14 November issue, this magazine identified a serious problem concerning financial engineering by investment advisers because of the lack of appropriate risk control under current welfare pensions. Hereafter, we will engage in a discussion on the status of corporate pensions called welfare pension funds and qualified pensions under the titles of "Welfare Pension Fund Demand" and "Qualified Pension Demand."

Incidentally, the discussion in the last article was premised on the fact that in foreign nations, welfare pension funds guarantee eligibility based on the permanent nature of the systems and use an assessment format in which the source of funds for annuities are taken from current insurance fees, providing for only limited reserves and intergenerational transfers of income that link various generations on a compassionate basis. On the other hand, private pensions use the reserve format because of the need to provide for future annuity payments out of reserves whereby pensions are paid out of funds based on past premium payments and attendant investment income, and we introduced the fact that collective management of funds was crucial because the reserves represented the total savings needed to pay old-age pensions to individual annuitants.

Corporate Pensions are Essentially Private Pensions

However, in Japan, both welfare pension funds (salaried workers' supplemented pensions) and national annuity funds (individual businessmen's supplemented pensions) are called "public annuities" although coverage is voluntary and reserves are accumulated under an installment system. This fact is substantiated by the tax treatment afforded premiums in the form of social security tax exemptions and the publicity given by famous actresses saying, "You will benefit because they are treated as public pensions." However, these pensions are of the self-sustaining type in which coverage is voluntary and installment premiums provide for old age, and intergenerational support does not play a role. Such an arrangement means that they must be labelled "private pensions" from the standpoint of foreign nation criteria. They are referred to as "public" because they are covered by systems which are established by the government. This is the point which we need to clarify initially.

Further, as is widely known, qualified pension coverage is voluntary, and applicable fiscal management is of the accumulated reserve format.

Accordingly, both welfare pension funds and qualified pensions do not involve intergenerational support, and an indispensable element is the accumulation and investment of one's own premium reserves for the purpose of providing for old age under self-sustaining efforts, rendering them susceptible to labelling as "private pensions" (with the proviso that such reference is not made to that portion which substitutes for welfare pension funds).

As a basic trend, it is proper to provide for the diversification of investment trusts including participation of investment advisory firms and to relax investment regulations so as to allow for management of funds on a self-accountable basis, because it is necessary to attain efficient management of private pension reserves. Of special note is that qualified pensions represent a globally adopted standard scheme as a private supplemented pension and should by all means be the subject of diversification of management trusts and relaxation of investment restrictions.

Alternate Systems for Welfare Pension Funds Are Inconsistent With Centralization

However, circumstances exist which prevent the unaltered application of this idea to welfare pension funds.

We are speaking of the alternate system under the welfare pension fund. Essentially, welfare pension funds substitute for the government in paying old-age pensions under the welfare pension system and have been established to pay annuities which are supplemented by over 30 percent. As a result, individuals covered by the welfare pension fund system do not pay insurance fees applicable to old-age pensions to the government for that portion substituted by the welfare pension fund but pay the premiums including the insurance fees to the welfare pension fund, thus enabling reference to a portion of the reserves as funding for welfare pensions.

To begin with, such alternate systems have been criticized by pension specialists as being technically difficult to manage on a fiscal basis and represent systems which are not adopted throughout the world, with the exception of Great Britain. Further, the question of why an alternate system is necessary in Japan has never been properly discussed, and applicable reasons are not necessarily clear. Moreover, the current alternate system contains the following real problems.

First, the alternate systems are not compatible with the move to centralize public pension systems. In other words, the alternate segment of insurance fees would normally be used as a source of funds to make welfare pension payments in terms of intergenerational support, but the alternate system means that such funds are lost for that purpose. On the other hand, the long-term stabilization of the various types of public pension systems as a whole is being achieved through coordination of various pension systems with a goal of centralizing the pension systems by 1995. However, continuation of the alternate system is expected to result in the loss of huge sums of funds to the current system and to limit the attainment of goals relative to centralization.

For example, the fiscal outlook of the welfare pension, based on 1994 fiscal recalculations and the fixed 13 percent growth outlook of future welfare pension fund balances, assuming that the alternate segment represents one half of the balances, would provide a future estimate that the main segment of the welfare pension reserves would be depleted in about 20 years (see table). Further, the ratio of corporate pension balances and public pension balances 20 years later—i.e., the sum of welfare pension fund balances (exclusive of the alternate portion) and qualified pension balances (assuming they are the same as the alternate segment of welfare pension funds) versus welfare pension balances (including the alternate segment)—will be around 1.9 which is about the same as the current ratio between U.S. corporate pension balances and public pension balances, indicating the validity of these estimates.

Estimate of Future Pension Assets (trillion yen)

Year	Welfare Pensions (a)	Welfare Pension Funds (b)	Alternate Segment (c)	Main Segment of Welfare Pension (a minus c)	Qualified Pension (d)	b minus c plus d divided by a
1995	133	46	23	110	23	0.34
2000	183	87	43	140	43	0.47
2005	2330	163	81	149	81	0.70
2010	269	304	152	117	152	1.13
2015	300	568	284	26	284	1.89

Deterioration of Fiscal Situation at Main Segment of Welfare Pension System

Second, the alternate system prompts a so-called inverse option and adversely affects the main segment of the welfare pension. When a welfare Pension fund is established, insurance fees which need not be paid to the government are called exempt insurance fees, but exempt insurance fees can provide for better pension payments. This phenomenon is called the alternate merit and generally applies to corporations with a membership composed primarily of the younger generation. Corporations of this nature establish welfare pension funds, and the alternate segment is lost to the main segment of the welfare pension system.

The result is not only a reduction in funds that becomes available to intergenerational support which is the normal role of welfare pensions, but the failure of the alternate merit segment to play its normal role becomes a disadvantage for the main segment of welfare pensions and worsens its fiscal condition.

Third, another problem is high administrative costs of the welfare pension fund. A reason given is that the system is strapped with administrative workloads for the various funds, but social insurance administration of this nature is more efficiently performed on a centralized basis by the national government for all funds rather than at each of the individual welfare pension funds.

Fourth, a problem exists with asset management systems and preferential tax treatment concerning welfare pension funds. The welfare pension funds have been the beneficiary of many kinds of preferential tax treatment because it was a government-established system. However, in recent times, the tax treatment of qualified pensions has been revised and special corporate taxes have been exempted up to 2.7 times alternate payments in the same manner as welfare pension funds for certain qualified pensions, thus minimizing the difference in treatment between welfare pension funds and qualified pensions.

However, in the area of asset management, although limited to no more than one-third of their asset balances, welfare pension funds can use the services of investment advisory firms, aside from investment services offered by trust and life insurance companies. On the other hand, qualified pensions can be handled by trust and life insurance companies but not by investment advisory firms. In foreign countries, welfare pensions are considered qualified pensions and their reserves are considered most aptly handled by investment advisory firms.

Hasten System Reform Rather Than Management Relaxation

Returning to U.S. demands concerning welfare pension funds and qualified pensions, we can understand the demand for qualified pensions, and approval of that demand will lead to the establishment of an environment for self-help-type corporate pensions compatible to welfare pensions and would be a long-term plus for Japan.

On the other hand, the welfare pension fund demand faces a bottleneck consisting of the alternate segment concerning welfare pension funds, but the basic problem is the very existence of an alternate segment. Not only is the welfare pension fund a typical government program which oppresses the private sector, but it hobbles the centralization of public pensions and represents a cancerous growth that undermines the main segment of welfare pensions. Rather than dealing with relaxation of management restrictions, we need to make early changes in systems themselves.

Competitive Bidding System for Public Works

952A0216A Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Nov 94 p 29

[Article by Tokunosuke Hasegawa, managing director of Construction Economic Research Institute: "Adopt Rational Price Formation by Competitive Bidding"]

[FBIS Translated Text] *1) Reform of the bidding system is not a trivial problem of merely exposing general contractor corruption. It is something that has become unavoidable due to significant changes of the age, including the breakdown of the 1955 system, the advance of internationalization, and the collapse of the bubble* *economy. 2) Designated competitive bidding has long served as the framework of the structure of rights and interests in public works projects. 3) The objective of the introduction of general competitive bidding is to improve the bid-rigging structure and to have price determination in which the price mechanism functions effectively.*

General Competitive Bidding Trends

Criticism domestically of designated competitive bidding, which has continued for 100 years, in public works projects as being a hotbed of corruption and bid rigging has heightened, as has criticism from overseas as being symbolic of the closed nature of Japan's markets has heightened. In this context reforms were made leading to introduction of public competitive bidding in which anyone with certain qualifications can participate in bidding.

In order to adopt a transparent, objective and, moreover, competitive system, the government's action plan has set forth a clear position of promoting reform which has forayed into aspects that heretofore had been sacred territory, including 1) adopting general competitive bidding concerning procurement of national and other projects in excess of 730 million yen, 2) in evaluating the corporate capacity of foreign firms, an assessment is made of the number of engineers outside of Japan, their operation track record, etc., and 3) fortification of restrictions in competitive participation with respect to those who have violated bidding guideline stipulations and Antitrust Law and strengthening supervision against illegal activities such as bid rigging, bribery, etc.

The impact of reform of the bidding contract system which has become deeply ingrained in economic society could hardly be considered inconsequential. For that reason, the bewilderment and anxiety of the concerned parties are considerable. The introduction of general competitive bidding is a major trend of the age and should not be interpreted as something that will become unimportant simply because a series of general contractor corruption cases and bid rigging have been brought to light.

The first change is the demise of the 1955 system. This is the fact that fissures have appeared in the system of rights and interests that has controlled everything from securing resources to distribution since the formation of a powerful gilded society of back-scratching alliances among politics, bureaucracy and industry concerning rights and interests in public works projects with politics, bureaucracy, and industry as the suppliers.

The second change is the advance in internationalization. Internationalization of the construction market will not stop at rectification of the trade imbalance but will bring about systemic reform. As seen in the EU (European Union) integration and the GATT Uruguay Round government procurement agreements, opening up of construction markets is a trend that is held in common internationally, so all nations are being propelled toward a transformation from old domestic rules to global rules. Internationalization has exposed the domestic and foreign price difference in which Japan's costs are high when viewed internationally and has given rise to the contention that one cause of this difference is the present bidding contract system.

The third change is the collapse of the bubble economy. The trend of continuously upward-moving economic growth has collapsed and prices, which had mainly been unilaterally determined by suppliers jacking up costs, in future will be converted to a consumer dominated price formation in which prices are determined by the economic power of consumers. And public works price formation will not be an exception to this.

In the context of a long tradition, designated competitive bidding was not merely business procedures for selecting contract partners. It has played a role as a framework for forming the rights and interests structure and supplier system in public works projects. With the designated system at the core, a triangular management structure of politics, bureaucracy, and industry was formed in public works projects and the designation system is even analogous to a tent support for that structure.

This support was central in public works project budgeting, resource allocation, appointment of former government officials to responsible positions in private firms, construction industry system, training and personnel cultivation, technical development, and even in the formation of such political systems as elections and election funding. If the designated system were to collapse, there is even a feeling of crisis that the entire system it supports would crumble.

The scale of the construction market is 85 trillion yen; it is an enormous market that comprises 20 percent of the gross domestic product (GDP), and this market has created a stratified and complex pyramidal structure that incorporates everything from the central government to local governments with each orderer as a unit. The markets of major construction businesses and regional small and medium businesses are systematically classified and construction business groups function per each of those units. Designated competitive bidding functions based on this structure, which is firmly ingrained in Japanese society. It will not be easy to reform this system through partial revision.

Signs of Change in Bid-Rigging System

What sort of influence will introduction of general competitive bidding exert on this strong supplier system? Half of persons concerned think that significant changes are inevitable and are experiencing a feeling of crisis. The other half is not worried, believing that things will revert to the way they were once the dust settles. It is a question of whether competition in the style of Europe and the United States will be demonstrated in Japan's business society of "cooperation," "schedule coordination," and "maintenance of order" or whether reform will extend all the way to the bid-rigging structure.

In business society it is taboo to touch on bid rigging. For those placing the orders bid rigging is nonexistent, and it could be said that it is forbidden for parties concerned to discuss it. Although the crime of bid rigging plainly exists in Japan's criminal law, applicable cases are limited and it is only considered to be a crime to engage in bid rigging if it is for the purpose of obtaining an undue profit. Although it is forbidden activity under Antitrust Law, because infractions are an everyday occurrence, violators have little awareness that they are committing a crime and society seems to feel the same.

It cannot be denied that designated competitive bidding is a system conducive to bid rigging. Advance announcements, meeting all together for an on-site explanation and bidding, strong requests for rebidding, etc., that have been carried out as a practice have, by degrees, created an atmosphere which was contributory to bid rigging. In designated competitive bidding in Britain, advance announcement of designated companies is totally against the rules, and in the United States, sealed bidding in which bids are sent by mail is mainstream and there is no rebidding. Japanese rules are somehow inappropriate.

Of course, no matter what the country or its system, Antitrust Law violations occur and bid rigging is inseparable from public works projects. In Italy, cozy deals prior to bid rigging are rampant, and it is even said that Mafia economy parcels out the public works projects. In Holland, conversely, construction cartels are formally tolerated. Construction companies have created a price adjustment mechanism and coordination of who will receive orders is performed after disclosure of all procedures, whereupon free contract negotiations with those issuing orders are advanced. Depending on one's viewpoint, this may seem rational, but the EU nations are opposed to this way of doing things of Holland's. The actual situation of bid rigging is not so different between Japan and foreign countries.

However, there is a considerable mutual difference in perception as to whether bid rigging is criminal or not. In Europe and the United States, bid rigging is clearly a crime, and one must be ready to face immediate imprisonment if caught. In Japan the attitude that bid rigging is a necessary evil and a trade practice not only in the construction arena but in the business community as a whole cannot be gotten rid of. It cannot be denied that those issuing orders themselves are negligently violating the bidding system, which is referred to as the voice of heaven.

Reform of the 1955 system will be a dramatic measure to reform the cozy relationship of politics, bureaucracy, and industry that has permitted these violations, and it is questioned whether reform of the bidding contract system will really be able to change Japan's bid rigging tendency which has become so deeply rooted in public works projects over many long years. At present, a desire is being evidenced even by the parties concerned about changing attitudes about bid rigging, so there is a feeling that there could be changes in the bid rigging structure.

Another effect concerns whether it will lead to rational price formation. There is a question as to whether the bidding system will have a positive effect of contributing to realization of rational prices due to fair procedures.

Under the current account system, the method being used is for those placing orders to designate bidding participants, and those bidders among them with the lowest price in the estimated price range determined by the orderer are successful. They are determined as partners in the contract, and their bidding prices are bound by contract as the contract price. In order to prevent unduly low bidding prices, a lower limit system is used in which there is an investigation of the bidding price by the orderer according to the central government's system and the local government's provisions, and a specific ratio of the estimated price becomes the lower limit.

At that point, the vital negotiations and price bargaining as is the practice in Europe and the United States is not done. Although at first glance it seems rational, in price determination by this estimated price system, there are concerns in regard to whether a price mechanism functions so that a rational price is formed or not.

Because of the sluggish construction market, competition has intensified, and after moving to execution of the new bidding system, there has been an increase here and there in low price bidding that is greatly below the estimated price in construction for local governments. Whether this is recessionary dumping that is impairing bidding fairness or the result of reform of the bidding system promoting competitiveness is debatable.

Meanwhile, there is stepped up criticism that suggests Japan's construction prices and public works project costs are markedly higher and the domestic and foreign price difference is too large when compared to other nations. Although it could not be asserted that public works projects alone are high priced because of the fact that personnel expenses and materials are all high, it cannot be denied that there is a large domestic and foreign price difference. Even the Ministry of Construction, after investigating the actual situation, has concluded that Japan's public works project prices are about 30 percent higher when compared to the United States and is seriously addressing how to lower them.

The Fear of Rigidity in Estimated Price System

There is also the possibility that the estimated price system, which has continued uniformly for many years, has lost its flexibility, in effect, lacking the function of a price mechanism because its price formation has become rigid.

The price mechanism functions because of competition, and competition is demonstrated only when information about prices is announced publicly. However, under the current bidding system, price information about bidding is inadequate. Estimated prices are not announced in advance, and in addition, the status of the ratio of the successful bidding price to the estimated price and how the price is distributed are not clear. If this type of information is not publicly announced, there is no way of evaluating whether one's own price was too high or not.

The estimated price system functions among persons concerned as a type of official price, and the perception is that it is appropriate to determine the price somewhere in that vicinity. Viewed from the standpoint of those receiving orders, if it is not possible to bid successfully at a price in excess of the estimated price, they will probably lose their zeal to dare to seriously integrate, and even though it is unlawful activity, the wisest method is to find out the estimated price and bid in such a way as to be in line with that price. That is why estimated prices are always discussed in connection with the illegal activities of leaking and bid rigging.

In the first place, if the bidder does not make effort to seriously integrate, price competition does not take place, and there is probably no way that a rational price can be formed. Reform of the bidding system will serve as an assurance that price determination is performed in which the price mechanism functions effectively and competitiveness will be demonstrated.

North Korea

IAEA Delegation Leaves Pyongyang 28 Jan

SK2801104795 Pyongyang KCNA in English 1042 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—A delegation of the International Atomic Energy Agency [IAEA] left here today after having the second negotiations for the discussion of technical issues to be solved between the Democratic People's Republic of Korea and the IAEA under the agreed framework between the DPRK and the United States.

U.S., ROK Reportedly Stage 'War Exercises'

SK2901101495 Pyongyang KCNA in English 1006 GMT 29 Jan 95

["War Exercises Against North Continue"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—The U.S. imperialist warmaniacs and the South Korean puppets on January 27 staged again war exercises to enhance capabilities of combined surprise attack on the North of overseas-based flying corps of the U.S. Naval and Air Forces and the flying corps of the U.S. Seventh Airforce and the puppet airforce, according to military sources.

The war exercises staged in the sky above Jonju, Woeyon Islet, Uijongbu and Kaphyong of South Korea involved about 670 fighters of various kinds belonging to the U.S. Airforce present in South Korea and the puppet airforce as well as overseas-based flying corps.

In another development, the South Korean puppets Friday held exercises of spotting and striking from the air the North's objectives along the Military Demarcation Line by mobilizing eight helicopter gunships of the puppet army. And, in the western sector of the front, they staged a war exercise with ten military vehicles loaded with boxes of bullets and shells and more than a hundred armed bandits.

This indicates that the U.S. imperialist warmaniacs and the Kim Yong-sam fascist clique are rushing headlong along the road to war against the North.

South 'Puppets' Commit DMZ Military Provocation

SK2801041195 Pyongyang KCNA in English 0405 GMT 28 Jan 95

["Military Provocation in DMZ"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The South Korean puppets committed another military provocation in the Demilitarized Zone (DMZ) in the central and western sectors of the front on January 26, according to military sources.

They brought more than 30 military vehicles and hundreds of puppet army soldiers armed with machine guns and automatic rifles into the DMZ and staged a military exercise for hours, increasing the tension.

'Top' Military Officer Views Armistice Accord

OW3001040795 Tokyo KYODO in English 0343 GMT 30 Jan 95

[FBIS Transcribed Text] Pyongyang, Jan. 30 KYODO—The armistice agreement between North Korea and United Nations forces should be replaced with a regime guaranteeing continued peace, a top North Korean military officer has told Japanese journalists in the truce village of Panmunjom.

Lieut. Col. Yi Hong-sop told the journalists Sunday that there has been no military incident leading to tension along the border between the two Koreas since the incursion in December of a U.S. Military helicopter.

But Yi said the building of a system guaranteeing peace on the peninsula would benefit the United States as well as "be in accord with" the current international situation.

North and South Korea are still technically at war with no peace treaty signed since the end of the Korean War.

North Korea and China have withdrawn from the Korean Military Armistice Commission originally assigned to oversee the truce and peace along the border between North and South Korea.

On May 24, North Korea said it set up a People's Army Commission at Panmunjom to replace the Korean Military Armistice Commission.

China officially withdrew its delegation on Dec. 15.

North Korea, China and the UN Command, which was represented by the U.S. and 15 other UN member nations that came to the aid of South Korea during the 1950-53 Korean War, are the signers of the 1953 Korean Armistice Agreement.

The group of Japanese journalists were in North Korea as part of a sightseeing tour of the country.

A North Korean soldier in his eighth year at the truce village of Panmunjom said the area is normally tense because it is where North and South confront each other directly.

"But since the helicopter incident, nothing you could point to as causing tension has arisen," he said.

ROK Nuclear Waste Dump Construction Protested

SK2801042295 Pyongyang KCNA in English 0409 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—Working people in the North have denounced the South Korean puppet clique for scheming to build a nuclear waste dump on Kulop Islet, Tokjok-myon, Ongjin County, Kyonggi Province, near the North.

At meetings held in Paechon, Yonan and Chongdan Counties, South Hwanghae Province, the speakers said the Kim Yong-sam group's criminal scheme is another intolerable provocation to inflict a nuclear disaster upon the people in the north, as if it is not contented with the damage which the South Korean people are now suffering from nuclear waste.

They said the South Korean puppets' decision to build a nuclear waste dump on Kulop Islet near the coast of the North clearly indicates that the traitor Kim Yong-sam is more truculent than the military dictators of the "Fifth and Sixth Republics."

They noted that with the Kim Yong-sam clique, a heinous traitor and foe of reunification, left intact, the fellow countrymen can neither expect national unity and reunification nor escape from damage by nuclear waste and a terrible nuclear disaster. And they called on the South Korean people and students to rise up in the struggle for resolutely toppling the Kim Yong-sam puppet regime and establishing an independent, democratic government.

Campaign in ROK Against Nuclear Dump Reported

SK2701105295 Pyongyang KCNA in English 1019 GMT 27 Jan 95

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA)—Some 800 people including representatives of academic and religious circles in Inchon area inaugurated the measure council of citizens against nuclear waste dump on January 24 and began a one-million signature campaign urging the South Korean authorities to cancel the projected building of a nuclear waste dump on the Kulop Islet, according to a radio report from Seoul.

The council is planned to conduct various forms of struggle in the future, including meetings to be held at organizations at various levels and workshops in Inchon city to explain the unreasonableness of the decision to build a nuclear waste dump on the Kulop Islet.

ROK's Kim Yong-sam Called 'Unreasonable Idiot'

SK2801102995 Pyongyang KCNA in English 1015 GMT 28 Jan 95

["Preposterous Advertisement of the Traitor"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The traitor Kim Yong-sam held a roundtable gathering with "members of the Committee for Promoting the Globalisation" on January 25 and explained that "globalisation" means "first classification", "rationalisation", "integration", "South Koreanisation" and "humanisation".

In a booklet, the Kim Yong-sam group enumerated more than 130 words with "isation" including "globalisation", "diversification" and "sentimentalisation" and said these all belong to "globalisation".

Judging from Kim Yong-sam's definition of "globalisation", one can know well that the traitor is a complete political ignoramus without an equal in the world and an unreasonable idiot.

The traitor Kim Yong-sam is now in the worst crisis of rule for the failure of the "policy of reforms" and "northern and foreign policies". The socalled "globalisation" is concocted as a measure to bring the crisis under control.

He never opens his mouth without uttering "globalisation" and cries that South Korea can exist only when "globalisation" is realised. However, this is nothing but a hokum intended to gratify his greed for power and maintain the security of the rule.

"Globalisation" on the lips of the traitor is a theory against independence and the nation, which will result in leaving South Korea with no national independence as a market of outside forces and which barters away the interests of the nation. It is also a treacherous and divisive theory against national reconciliation, unity and reunification.

Though the traitor Kim Yong-sam, advertising about bogus "globalisation", is wriggling to maintain at any cost the "civilian government" which has already been driven up to the edge of a cliff, it is a last-ditch effort of those who are on the verge of death.

ROK's Globalization Plan Termed 'Preposterous'

SK2801102495 Pyongyang KCNA in English 1009 GMT 28 Jan 95

[" 'Globalization' Brings Confusion"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The traitor Kim Yong-sam uttered nonsense about fictitious "globalization" at a "luncheon with members of the Committee for the Promotion of Globalization" on January 25.

Branding this as a preposterous and absurd rigmarole, the news analyst of NODONG SINMUN today says:

Kim Yong-sam was hard up for explaining what is "globalization" and what is different from "internationalization", asked by public circles.

The "globalization plan" of the traitor Kim Yong-sam involves no measure to cure chronic diseases.

His "globalization plan" is a very fantastic one. The traitor pronounced five words with "ization" allegedly to mean "globalization". What and how can he make first-class in the outside forces' typical colony with no independent politics and self-reliant economy and what and how can he "rationalize" under the undemocratic and self-righteous system of military rule in which power is almighty?

"Humanization" does not become South Korea which has been barbarized with such criminal acts as murder and robbery nor is proper to Kim Yong-sam, an uncivilized man in human skin.

The traitor Kim Yong-sam described "globalization" as "strategy for existence" and "strategy for development". However, this neither has logicality nor is suitable to the South Korean reality. This is as foolish as dreaming to catch cloud in the sky.

Though the Kim Yong-sam group is loudly advertising about "globalization" in an attempt to divert elsewhere the attention of the people and extricate itself from the ruling crisis, no one lends an ear to it.

The Kim Yong-sam group who lost his ruling capacity had better step down from power.

Social Democratic Party on Yi Ki-taek Visit Plan

SK2801111195 Pyongyang KCNA in English 1030 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The Korean Social Democratic Party (KSDP) expressed the hope that the Pyongyang visit by Yi Ki-taek, president of the Democratic Party [DP] of South Korea, will be realised as early as possible, convinced that it will be a patriotic deed conducive to the reunification of the country in the '90s.

In a statement released today, the spokesman for the Central Committee of the KSDP welcomed that Yi Ki-taek, who repeatedly expressed his hope for Pyongyang visit from last year, reiterated it on January 25, hoping his visit will be realised at an early date.

"We consider this to be a just thing proper to a political party leader and a definite decision which conforms to the desire of the fellow countrymen to achieve great national unity and open an epochal phase for national reunification this year," said the spokesman.

Recalling that each time he expressed the hope for Pyongyang visit, the North welcomed it, the spokesman said:

"We sincerely welcome that he reiterated his hope recently, and kindly invite him to visit Pyongyang."

"If his visit were realised, he would be able to meet leading representatives of political parties in the North and discuss national reunification with them and jointly seek a proper way of improving inter-Korean relations now in deadlock," he said, and continued:

"His Pyongyang visit has not yet been realised, confined to the expression of the hope. This is attributable entirely to the unjustifiable behavior of the South Korean authorities, who have monopolized North-South contact and dialogue and persistently blocked non-governmental debate on reunification."

"If the South Korean authorities respect the desire of the entire fellow countrymen for reunification if only a little, they must discard their wrong position and allow Yi to visit the North," he urged.

Talk Criticizes ROK on 'Grand National Meeting'

SK2901103595 Pyongyang Korean Central Broadcasting Network in Korean 0630 GMT 29 Jan 95

[Unattributed talk: "The South Korean Authorities Should Behave, Correctly Knowing Where To Sit and Stand"]

[FBIS Translated Text] As has been reported, the joint meeting of the DPRK's political parties and organizations, which was held in Pyongyang on 24 January, discussed ways to open a new perspective for the fatherland's reunification on the 50th anniversary of the fatherland's liberation; and adopted a letter of appeal to the political parties, organizations, and compatriots from various walks of life in South Korea and overseas.

Contained in the letter of appeal was an important proposal urging the compatriots at home and abroad to get together in Panmunjom on 15 August this year to grandly celebrate the 50th anniversary of the fatherland's liberation on a pan-national scale; and for convening, in such a meaningful grand, festive place, a grand national meeting, in which representatives from various political parties, factions, and various walks of life at home and abroad would participate, to discuss and decide on joint national methods on reunification.

All of the countrymen's consistent wishes and will are to turn 1995, which marks the 50th anniversary of the fatherland's liberation and of national division, into the first year of reunification.

The proposal put forth by the joint meeting of our political parties and organizations is timely and the most appropriate and just measure that suits such aspirations of the nation. Our new proposal is now attracting a great sensation from within and without.

This notwithstanding, in connection with this just proposal of ours, the South Korean authorities are making uncalled-for, absurd remarks, while even failing to make out what another is saying.

On 25 January, through a so-called statement, a guy called vice minister of South Korea's National Unification Board [NUB] said: We can never accept the grand national meeting because it is in the form of a united front. And, the question of jointly celebrating 15 August should be discussed through a dialogue between the authorities concerned.

As has been known, our political parties and organizations have sent a letter of appeal containing an undoubtedly patriotic proposal to the political parties, organizations, and compatriots from various walks of life in South Korea and overseas. Accordingly, the South Korean authorities, which are not the party concerned, do not have the face [chemyon], nor justifiable reason to talk about our proposal.

But, before the South Korean political parties, organizations, and representatives from every walk of life—which are the parties concerned—even express their views, the South Korean authorities have become the first to come forward to make remarks and acts of blocking this. We cannot help but call this the insensible, reckless rash act done by those who cannot know where to sit and stand.

Through the latest measure taken by the South Korean authorities, it has been made obvious once again that South Korea's NUB is, in practice, the board of division which obstructs reunification.

While taking up such a splittist theory, the South Korean authorities are pertinaciously insisting only upon dialogue between the authorities concerned. They are reigning over the heads of the political parties, organizations, and people from every walk of life; putting a gag on them; and unrelentingly blocking them from participating in the dialogue on reunification.

Moreover, what we cannot help but note is the fact that the head of the Agency for National Security Planning [NSP] has become the new NUB minister of South Korea; and he is behaving atrociously in conformity with his bad habit, which he practiced at the NSP, of arbitrarily conducting inspections of and fumbling with the South Korean political parties and organizations.

In fact, the puppet NUB has recently made uncalled-for, impudent remarks, while putting aside the South Korean political parties and organizations in connection with the matter with which the NUB has nothing to do. This only shows how atrocious the fascist arbitrariness of the incumbent ruling group, which is disguising itself as a civilian government, is; and to what extent the group's authoritarianism is going.

Before the South Korean political parties, organizations, and compatriots from various walks of life express their views, the puppet authorities have become the first to come forward to make the above-mentioned remarks. This is an act of disregarding the nation's aspirations for reunification and it is an act which has been carried out for fear of the people.

The fact that every act of the South Korean authorities is frivolous and careless should be linked with Kim Yong-sam, the so-called president. Kim Yong-sam is known as the most talkative and frivolous person in South Korea. Indeed, even a book entitled "President, Please Use Your Words Sparingly" has been recently published in South Korea; and the people have been even stressing the need to control what Kim Yong-sam is saying.

While not being able to say to the outside what they should say, the South Korean authorities are acting arbitrarily and tyrannically, while meddling within South Korea in what they have nothing to do with. This shows the signs of a downfall of the incumbent ruling bunch.

We proposed that a grand national meeting be convened to discuss and decide upon the joint national methods on reunification—in the meaningful grand festive place celebrating the 50th anniversary of the fatherland's liberation—with the participation of various political parties, factions, and representatives from every walk of life at home and abroad. This is the most reasonable, just, and realistic choice in view of the pan-national nature of the reunification question and of the enthusiasm of the countrymen who are trying to participate in the dialogue on reunification.

If the countrymen at home and abroad get together to jointly celebrate the 50th anniversary of the fatherland's liberation, it is also obvious that their getting together in itself will take upon the nature of a grand national meeting.

This notwithstanding, the South Korean authorities are stating that they are opposed to the question of convening a grand national meeting because it is in the form of a united front, while saying they are supporting the question of jointly celebrating 15 August. This is a self-contradictory theory which negates the question of jointly celebrating the 50th anniversary of the fatherland's reunification. This only means that they are basically opposed to the contacts and dialogue between the North and South.

It has been well known to the world that in the past, the military dictators were opposed to the wide-ranging contacts and dialogue between various political parties, factions, and people from various walks of life in the North and the South, while talking about the so-called united front-related strategy.

Of late, the South Korean rulers have been opposed to our patriotic proposal, while brandishing the same excuse about the method of a united front. This enables us to know that they are not different at all from the previous military dictators in terms of their position on dialogue and reunification, although they are talking about reforms and globalization.

All of our countrymen—be they living in the North, the South, or overseas—who have been suffering from the pain of national division for as long as half a century, are stressing the need to turn this year's 15 August into a great watershed to create a reunified fatherland.

Under these circumstances, the South Korean authorities are obstructing the South Korean political parties and organizations from responding to our important proposal. We cannot but interpret this as meaning only that they are lacking in the will concerning national reconciliation, unity, dialogue, and reunification.

The attitude taken by the South Korean authorities in their latest so-called statement is an anti-reunification, anti-national, criminal act that runs counter to the current of the times and that challenges the aspirations of the nation.

At the moment, all countrymen are running in the direction of reunification in the nineties. In South Korea recently, the intention to visit the North and discuss reunification has also been expressed even by an opposition party chairman; and has also been expressed in a wide-ranging way by religionists, youths, students, and people from various walks of life.

Such a mass tendency is creating a wonderful possibility to materialize a grand festival for reunification by those from the North, the South, and overseas within this year on the 50th anniversary of the fatherland's liberation.

No one can block such a current of the times which will lead to the fatherland's reunification.

There is a saying which goes: A barking dog cannot stop a running train.

No matter how hard the South Korean ruling bunch is barking at a distant mountain while issuing a piece of the so-called statement, they cannot stop the national train for reunification which is forcefully running toward the grand festive place for reunification to celebrate the 50th anniversary of the fatherland's liberation.

The South Korean authorities are recklessly doing a rash act because they are feeling uneasy, while being afraid of the effect that our patriotic proposal is having on the wide-ranging people and figures from various walks of life in South Korea. Such an act is not beneficial to them.

If one pays attention to what one does not have to, it will be harmful to one.

We are resolutely warning the South Korean authorities to behave, correctly knowing the directions of the east, the west, the south, and the north.

Paper Warns ROK Against Blocking Reunification

SK2801104395 Pyongyang KCNA in English 1035 GMT 28 Jan 95

["Impudent and Obtrusive Meddling"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—MINJU CHOSON today denounces the South Korean authorities for obtrusively poking their nose into the appeal sent by a joint meeting of the political parties and organisations in the DPRK to the political parties, organisations and Koreans of all social strata in South Korea and overseas.

The news analyst says:

On January 25 the South Korean puppets let "the vice-minister of the Unification Board" mumble that the great national conference "can never be accepted" and a joint festivity of August 15 should be discussed through "dialogue between authorities".

The joint meeting of the political parties and organisations of the DPRK sent an appeal to the political parties, organisations and people of all social strata in South Korea and overseas. But the South Korean authorities impudently uttered this and that word by putting aside the political parties, organisations and people from all walks of life in South Korea, the parties concerned, revealing by themselves that they are villains who do not mind their p's and q's.

The reunification of the country is for the entire Korean nation and can be successfully achieved only when the entire Korean nation participate in it.

There is no reason why anyone, who wants reunification, should oppose the great national conference in which representatives of the political parties, groupings and people of all segments at home and abroad will discuss and confirm the way of reunification common to the nation at the great festivity celebrating the 50th anniversary of the liberation of the country.

The South Korean authorities are well-advised not to block the grand march of national reunification but to act with discretion.

'Suppression' of 'Pro-North Left Forces' Decried

SK2801042695 Pyongyang KCNA in English 0414 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The South Korean rulers must abolish the "National Security Law," an anti-reunification law, and promptly stop the fascist suppression of progressive students and patriotic people calling for independence, democracy and reunification.

The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] said this in Information No. 674 released on January 27 denouncing the Kim Yong-sam group for openly revealing its intention to intensify the suppression of patriotic people in South Korea, charging them with being "pro-communist left forces."

Recalling that, at a recent "meeting of chief prosecutors," the puppet minister of justice gave instructions to uproot the "pro-North left forces," the information said:

This fully revealed their intention to openly reject national unity and seek confrontation with the North.

The "pro-North left forces" which the puppets mean are the pro- reunification patriotic forces willing to reunify the country, joining hands with the North. The puppets, however, are crying for "reconciliation" and "cooperation" with the North, while suppressing the patriotic forces as the "enemy." This shows that "reconciliation" and "cooperation" on the lips of the traitor Kim Yong-sam are a lie.

Without removing the Kim Yong-sam group, which is seeking only confrontation, considering the fellow countrymen in the North to be the "enemy," is it impossible to achieve national reconciliation and unity and the reunification of the country.

Paper on ROK's 'Supression' of Students, People

SK2901085595 Pyongyang KCNA in English 0848 GMT 29 Jan 95

["Fascist Fanatic in Sword Dance"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—NODONG SINMUN today comments on ever harsher fascist suppression of the pro-reunification democratic forces by the South Korean puppets.

The news analyst says:

The puppet justice minister of South Korea at a recent "meeting of chief public prosecutors" cried that the prosecution should strengthen the "anti-communist investigation forces" and "root up the pro-North leftist forces."

This means that they will brutally suppress the South Korean students and people by connecting their call for independence, democracy and reunification with the North and persist in confrontation against reunification.

It is only too natural that the South Korean students and people should call for national independence and reunification through collaboration with communism and the North and join in this cause.

If they take a pro-North stand, it is absolutely just in view of national reconciliation and unity and the nation's earnest desire for reunification. It can never be incriminated.

But, the Kim Yong-sam group revealed its intention to brutally suppress the South Korean students and people by branding them as "pro-North leftist" and "pro-communist and enemy-benefitting" and connecting them with the North in a far-fetched way, for the mere reason that they follow the chuche idea which is worshipped by the whole world and call for reunification through collaboration with communism and the North, the desire of the entire fellow countrymen. It is a group of heinous fascist tyrants, indeed.

The fact that the puppets declared they would "root up the leftist forces" from the beginning of the year shows that as in the past, so in future, they are going to create a terror-ridden atmosphere under the "new security-oriented rule" in order to bridge over the ever-deepening crisis of their rule and lay greater obstacles in the way of reunification.

Their attempt to block at the point of the bayonet the South Korean people's aspirations after reunification through collaboration with communism and the North is as foolish as trying to stem the current of a river with a palm.

Seoul Radio Cited on Brother, Sister 'Spy Case'

SK2801110095 Pyongyang KCNA in English 1017 GMT 28 Jan 95

["Fabrication of 'Brother and Sister Spy Case' exposed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The Lawyers' Association of South Korea in a press conference on January 26 revealed that the "brother and sister spy case" of Kim Sam-sok and Kim Un-chu was fabricated by the "Agency for National Security Planning [ANSP]", a Seoul-based radio reported.

According to the association, the "ANSP" dispatched its secret agent Paek Hung-yong to Japan, giving him instructions several times to obtain films and books of North Korea to hand them to Kim Sam-sok and Kim Un-chu and arrested the brother and sister when they received a handbag with books of the North from the secret agent and announced a "brother and sister spy case."

Repatriation of Unconverted Prisoners Urged

SK2901105995 Pyongyang KCNA in English 1009 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—The Buddhist human rights committee of South Korea held a ceremony for inaugurating a "signature campaign of Buddhists for the repatriation of Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners," and a press conference in Seoul on January 17 and published a statement, according to a report.

Noting that the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae is a matter of mollifying the pain of the nation and correcting the history, the statement said that the "government" authorities are evading the settlement of the matter while crying for fantastic "globalization".

The statement pointed out that their repatriation is a matter that should be settled on all accounts in the shortest possible time in view of humanitarianism and in view of national reconciliation and unity.

It stressed that the South Korean Buddhists would take the lead in the signature campaign for its realization.

International Media Criticizes ROK Economy

SK2801152095 Pyongyang KCNA in English 1505 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The world public branded the economy of South Korea as "colonial dependent economy", "economy dependent on foreign capital", "subordinate economy serving foreign forces", "economy in a state of total bankruptcy and stagnation" and exposed its seamy side.

The Cuban paper GRANMA said:

South Korea imports equipment, materials, raw materials, technology and all others from foreign countries, with the main artery of the economy left to the mercy of foreign forces.

Foreign monopoly capitalists bring under control 100 percent of oil industry and 80 percent of power and synthetic resin industries in South Korea.

Prof. Albert Marouani [name as received] of the Nice University of France said that the South Korean economy depends on foreign capital, shackled to investment and export of foreign countries.

The Madagascan news agency AMP said that the South Korean economy cannot take a step forward if it is not supplied with fund, technology, raw materials and materials from foreign monopolies.

The Czech paper PRACE pointed out that the South Korean economy has become a complete appendage to the U.S. economy and South Korea turned into a market for U.S. surplus commodities and a supply base of cheap manpower.

The Japanese paper TOKYO SHIMBUN said that the South Korean economy which feeds on imports from factories in the southern part of Hyogo Prefecture afflicted by an earthquake a few days ago is severely affected.

The Polish paper PRAWO I ZYCIE said that today South Korea has turned into a place in which foreign monopolies invest for using cheap manpower and its foreign debt is on the steady increase and the gap between town and country is widening.

The all India Indo-Korean Friendship Association in a statement said that the South Korean economy without independence at all has been reduced to subordinate economy serving foreign forces and that the South Korean economy cannot get out of the bankruptcy as long as the traitor Kim Yong-sam remains in power.

Seoul Radio Cited on ROK's Foreign Debt

SK2701150995 Pyongyang KCNA in English 1459 GMT 27 Jan 95

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA)—The report of the Bank of International Settlements on foreign debts of countries and regions of the world as of the end of June last year said foreign debts of South Korea stood at 52 billion U.S. dollars, a Seoul-based radio report said.

This is far smaller than the real figure.

But this amount alone is enough to indicate that South Korea has become the world's number four debtor.

South Korea continues to record deficits in international dealings, including foreign trade.

Moreover, the "globalization" envisaging the market opening drives the economy to bankruptcy and boosts the foreign debts of the puppet clique.

North Reportedly Agrees To Buy Russian Submarine

OW2801075395 Tokyo TOKYO SHIMBUN in Japanese 27 Jan 95 Morning Edition p 5

[By A. Poltov]

[FBIS Translated Text] Vladivostok, 26 Jan—According to information that TOKYO SHIMBUN has obtained from a high-ranking official with the Russian Pacific

Fleet, the Russian Defense Ministry's Resource Management and External Relations Directorate sold a decommissioned Golf-II class submarine to North Korea last December.

In the past, the DPRK had planned to purchase 10 decommissioned Russian submarines assigned formally to the Russian Pacific Fleet for use as metal scrap, but it later shelved the plan after learning of a Japanese trading firm's involvement in the deal. The information says that North Korea has concluded a contract with the Russian Defense Ministry to purchase the submarine.

Japanese Tourist Study Group Arrives 27 Jan

SK2701113795 Pyongyang KCNA in English 1100 GMT 27 Jan 95

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA)—A Japanese Tourist Study Group arrived in Pyongyang on Jan. 27 by air for the Pyongyang international sports and culture festival for peace to be held in Korea at the end of April.

The group, which came nonstop from Niigata to Pyongyang by a chartered plane of the Air Koryo of the DPRK, consists of business officials of the Japan Travel Bureau, officials of the Chugai Travel Co. Ltd. and reporters, more than 120 in all.

The group will make a tourist study trip for advertisement of the festival during its stay till January 31.

The visit of the group is being paid according to the tourist contract between the Korea International Travel Company and the Chugai Travel Co., Ltd. and the Japan Travel Bureau.

Visits Kim Il-song Statue

SK2801111395 Pyongyang KCNA in English 1024 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—Members of the Japanese tourist study group which arrived here Friday for the Pyongyang International Sports and Cultural Festival for Peace visited the statue of the great leader President Kim Il-song on Mansu hill in Pyongyang on Saturday and expressed boundless reverence for him.

They laid floral baskets before the statue of President Kim Il-song who had devoted his whole life to the freedom and happiness of the people and global independence and bowed with deep respect for him.

Written in the ribbons hanging on the floral baskets are the words "the immortal exploit of his excellency the great leader President Kim Il-song will shine forever" and "the great leader Generalissimo Kim Il-song will be always with us".

Visits Pyongyang Sites

SK2901092595 Pyongyang KCNA in English 0852 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—The Japanese tourist study group visited Mangyongdae, the time-honored place of revolution, on January 28.

While hearing an explanation about the immortal revolutionary history of the great leader President Kim Il-song and his revolutionary family, the guests saw with keen interest the historical mementoes preserved with utmost care at the old home in Mangyongdae.

They posed for a souvenir picture before the old home.

The guests also visited the Tower of the Chuche Idea and the Arch of Triumph.

The study group inspected modernly-equipped sports stadiums in Pyongyang.

Going round the 150,000-seat May Day stadium where the grand opening ceremony of the 13th World Festival of Youth and Students was held and the Pyongyang International Sports and Cultural Festival for Peace will take place in late April, the members of the group were struck with wonders at its grandeur and modern facilities.

They also visited Kim Il-song stadium with 100,000 seats situated at the foot of the scenic Moran Hill and saw an exhibition performance of taekwon-do instructors and players at the taekwon-do hall. They visited luxurious hotels in Pyongyang. Keiji Kosugi [name as received], section chief of the Japan Travel Bureau, said that each room of hotels was finer than they had imagined and their facilities were excellent.

They visited the Pyongyang Moranbong Senior Middle School No.1 and dwelling houses of Changgwang and Kwangbok Streets at which guests to the festival may lodge and enjoy pleasant hours with Koreans, conversing about peace.

Chongnyon Official Conveys Relief Fund to Japan

SK2701051595 Pyongyang KCNA in English 0454 GMT 27 Jan 95

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA)— Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), called at the Japan Red Cross Society on Thursday and conveyed the relief fund sent by the Central Committee of the DPRK Red Cross Society to the Japan Red Cross Society, according to a KNS report from Tokyo.

He handed the relief fund to Tadaderu Konoe, vice-president of the Japan Red Cross Society.

The vice-president expressed deep thanks for it.

Delegation of Chongnyon Officials Arrives 27 Jan

SK2801042995 Pyongyang KCNA in English 0415 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—A delegation of officials of the General Association of Korean Residents in Japan (Chongnyon) headed by Chong Kwang-su, deputy general director of the Secretariat of the Central Standing Committee of Chongnyon, arrived here Friday [27 January] on the occasion of the Pyongyang International Sports and Culture Festival for Peace.

The delegation laid a basket of flowers before the statue of the great leader President Kim Il-song on Mansu Hill and expressed boundless reverence for him.

Chongnyon Supports Appeal of North Joint Meeting

SK2901112395 Pyongyang KCNA in English 1036 GMT 29 Jan 95

[FBIS Transcribed Text] Tokyo, January 28 [date as received] (KNS-KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) issued a statement today expressing support for the proposal and appeal of the joint meeting of the political parties and organisations of the DPRK.

The joint meeting held in Pyongyang on January 24 discussed "measures to open a new phase for national reunification on the 50th anniversary of the country's liberation" and proposed that the nation should hold a grand common function at Panmunjom on August 15 this year and the representatives of political parties, groupings and people from all walks of life in the North, the South and overseas hold a great national conference to discuss and confirm the common way of national reunification.

The joint meeting also adopted and issued an appeal calling on the political parties, organisations and people from all walks of life in South Korea and overseas to join in the grand common reunification festival of the nation.

In its statement, the Central Standing Committee of Chongnyon praised the proposal and appeal of the joint meeting as a timely, realistic, legitimate and patriotic initiative to put an end to the history of national division and open a decisive phase for reunification this historic year.

"The appeal of the joint meeting gives new hope and confidence to the entire fellow countrymen at home and abroad in a nationwide struggle to reunify the country in the 1990s, changing the bitterest sorrow at the loss of the great father of the nation, who devoted his whole life to the cause of reunification, into a thounsand-fold strength and courage," the statement said.

The statement manifested the will of Chongnyon to take joint action with all other Koreans in the North, the South and overseas to check and frustrate the machinations of the anti-reunification forces, have the "National Security Law" of South Korea abrogated and contribute to a successful holding of the grand reunification festival and the great national conference, closely united under the motto of great national unity.

Koreans in Japan Hold Central Meeting in Tokyo

SK2801105895 Pyongyang KCNA in English 1004 GMT 28 Jan 95

[FBIS Transcribed Text] Tokyo, January 27 [date as received] (KNS-KCNA)—A central meeting of Koreans in Japan was held here today to extend thanks to the great leader Marshal Kim Chong-il for sending relief fund to the Korean sufferers from the great Hanshin earthquake.

A telegram to Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), sent by Marshal Kim Chong-il regarding the was read out at the meeting [sentence as received].

In his report, Yi Chin-kyu, first vice-chairman of the Central Standing Committee of Chongnyon, called upon all the Chongnyon officials and Koreans in Japan to rise up in the campaign to rescue the afflicted Koreans in order to repay the loving care of respected Marshal Kim Chong-il who sent the telegram of sympathy and money.

The speakers vowed to repay the boundless love and solicitude of respected Marshal Kim Chong-il without fail and more powerfully conduct the relief campaign for the afflicted Koreans throughout the organisation and among all compatriots as instructed by him.

A letter to Marshal Kim Chong-il was adopted at the meeting.

Send Letter to Kim Chong-il

SK2801110895 Pyongyang KCNA in English 1022 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The great leader Marshal Kim Chong-il received a letter on Jan. 27 from the participants in a central meeting of Koreans in Japan held in Tokyo to express thanks to him for the relief fund he sent to the Korean quake victims in western Japan.

"We know no such great and benevolent leader as you respected General Kim Chong-il who repeatedly expressed deep sympathy and consolation to all the Korean quake victims and the bereaved families who suffered from the natural disasters in an alien land and took care that they could recover from the damages as soon as possible," the letter said, and noted: "We express warmest thanks and greatest glory to you."

The letter said:

"All the officials of the General Association of Korean Residents in Japan (Chongnyon) and Koreans in Japan will more vigorously conduct the movement for rescuing the Korean quake victims as a campaign of all compatriots with compatriotic feelings and devoted efforts, bearing deep in mind the high intention of you, respected general, so that they should achieve a stable life at an early date.

"We will make every possible effort to let the precious relief fund carrying your love rapidly reach the Koreans under Chongnyon as well as those under the "South Korean Residents Association in Japan" and independent Koreans in the stricken areas so that they can powerfully rise up with great joy and new conviction under your benevolent care.

"We will cooperate with the Japanese people including those in western Japan and further strengthen international solidarity with them to heal the quake damages together with them."

The letter wholeheartedly wished Marshal Kim Chong-il good health and long life.

Cuban Foreign Minister Arrives in Pyongyang

SK2801151795 Pyongyang KCNA in English 1507 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—Roberto Robaina Gonzalez, Politburo member of the C.C. [Central Committee], the Communist Party of Cuba and minister of foreign affairs of Cuba, and his party arrived here today to pay an official goodwill visit to the Democratic People's Republic of Korea at the invitation of the DPRK Government.

They were met at the airport by Kim Yong-nam, Politburo member of the C.C., the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, and officials concerned and Cuban Ambassador to Korea Jose Ramon Rodriguez Varona and embassy officials.

Meets With Foreign Minister Kim

SK2901093095 Pyongyang KCNA in English 0909 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—Talks between Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and Foreign Minister, and Roberto Robaina Gonzalez, member of the Political Bureau of the Central Committee of the Communist Party of Cuba and foreign minister of the Republic of Cuba, were held at the Mansudae Assembly Hall today.

Present at the talks on the Korean our side were officials concerned and on the opposite side was Cuban Ambassador to Korea Jose Ramon Rodriguez Varona.

At the talks, the sides informed each other of their countries' situation and discussed the development of friendly relations between the two countries and a series of international matters.

The talks took place in a friendly atmosphere.

Attends Mansudae Hall Banquet

SK2901110595 Pyongyang KCNA in English 1021 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—The government of the Democratic People's Republic of Korea gave a banquet for the Cuban foreign minister on an official goodwill visit to Korea at the Mansudae Assembly Hall Saturday.

In his speech, Kim Yong-nam, Politburo member of the Central Committee of the Workers' Party of Korea, vice-premier of the Administration Council and foreign minister, said the Korean and Cuban peoples are close comrades-in-arms and brothers who have supported and cooperated with each other in the joint struggle against imperialism and for independence and socialism.

Under the revolutionary slogan "Where there is a will, there is a way" put up by the Communist Party of Cuba, the Cuban people are registering success in stabilising the people's life and improving their standard of living and developing the economy through vigorous efforts, Kim Yong-nam noted.

He added that the Korean people sincerely rejoice as over their own over the achievements made by the fraternal Cuban people and wholeheartedly wish them greater success.

"It was the lifetime intention of the great leader Comrade Kim Il-song and is the consistent position of our party to consolidate the traditional relations of friendship and cooperation between Korea and Cuba generation after generation," he said. "We believe that the friendly and cooperative relations between our two countries will shine forever as a symbol of genuine comradely friendship and an inspiring banner of the revolutionary people on the basis of the deep intimacy between the great leader of our party and people Comrade Kim Chong-il and respected Comrade Fidel Castro Ruz, the supreme leader of the Cuban revolution," he stressed.

In his speech, Roberto Robaina Gonzalez, Politburo member of the Central Committee of the Communist Party of Cuba and foreign minister of the Republic of Cuba, said:

"The Korean people are vigorously building socialism on the lapse of 50 years since the Workers' Party of Korea was founded and the country was liberated from the colonial rule of Japanese imperialism. This is the greatest homage to the great leader Comrade Kim Il-song.

"The death of the great leader Comrade Kim Il-song, a close friend of Comrade Fidel Castro, was a deep sorrow for the Cuban people."

He expressed the belief that the Korean people under the tested guidance of the great leader Comrade Kim Chong-il will achieve a greater success in the efforts to accomplish the cause of socialism and attain the goal of national reunification, true to the historic behests of Comrade Kim Il-song.

Foreign Minister Kim on Relations With Cuba

SK2901091795 Pyongyang KCNA in English 0856 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—Vice-premier and Foreign Minister Kim Yong-nam laid stress on consolidating and developing the friendly and cooperative relations between Korea and Cuba and clarified the unshakable stand of the Korean people to share their destiny with the Cuban people, their class brothers and close friends.

He said this at a banquet given by the DPRK Government last evening in honor of the Cuban foreign minister's visit to Korea.

He said:

"It is the lifetime intention of the great leader Comrade Kim Il- song and the consistent position of our party to consolidate and develop the traditional relations of friendship and cooperation between Korea and Cuba down through generation.

"We think that the friendly and cooperative relations between our two countries will shine forever as a symbol of genuine comradely friendship and an inspiring banner of the revolutionary people on the basis of the deep intimacy between the great leader of our party and people Comrade Kim Chong-il and respected Comrade Fidel Castro Ruz, the supreme leader of the Cuban revolution.

"Our people will share their destiny with the Cuban people, their class brothers and close friends, in the struggle to defend and glorify socialism in the future, too, as in the past.

KSDP Delegation Leaves for Asian Trip

SK2801112395 Pyongyang KCNA in English 1041 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—A delegation of the Korean Social Democratic Party [KSDP] headed by Kim Pyong-sik, chairman of its Central Committee, left here today to visit Asian nations.

It was seen off at Pyongyang railway station by vice-chairman of the KSDP Central Committee Kim I-hyon and a councillor of the Chinese Embassy here.

Basic Idea of WPK, North Foreign Policy Noted

SK2901112695 Pyongyang KCNA in English 1042 GMT 29 Jan 95

["Idea of Independence, Peace and Friendship Is Triumphing"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—The basic idea of the foreign policy of the Workers' Party of Korea [WPK] and the government of the Democratic People's Republic of Korea which was laid down by the great leader Comrade Kim Il-song is independence, peace and friendship, declares NODONG SINMUN in a signed article today.

The WPK defined independence, peace and friendship as the basic idea of its foreign policy in compliance with the requirements of the development of the era of independence and aspirations of the people and has strictly applied it in all spheres of its external activities, the author of the article says, and continues:

Our Republic never allows any acts encroaching upon its sovereignty and makes it an iron rule to answer it with an independent stand.

Independence is the life and soul of each country and nation. Hence, we resolutely oppose anyone infringing upon and violating the sovereignty of other countries. We are lifting up our voices of justice against unjustifiable attempts to infringe upon sovereignty in the international arena and are developing relations with those countries which respect sovereignty.

Our Republic regards it as its noble obligation to strive for peace and security in the Korean peninsula, Asia and in the world.

The adoption and smooth implementation of the historic DPRK-U.S. agreed framework is a fruition of the foreign policy of our party and Republic which regards peace as its basic idea.

For global peace and security, our Republic raised such issues as putting an end to arms race and completely removing nuclear weapons, creating nuclear-free, peace zones and expanding them, withdrawing aggressive military bases and foreign troops in other countries and regions and solving disputes by peaceful means. and is now making strenuous efforts to put them into practice.

It is the consistent stand of our Republic to develop friendly relations with many countries of the world including socialist and non-aligned countries on the principle of respect for independence.

Success in Party's Trade-First Policy Praised

SK2801025995 Pyongyang MINJU CHOSON in Korean 21 Dec 94 p 1

[Article by Korean Central News Agency: "Achievements in Implementing the Party's Trade-First Policy"]

[FBIS Translated Text] Working people throughout the country are vigorously carrying out the last struggle of this year, the first year of the adjustment period, by upholding the great leader's [suryong] behest and the party's revolutionary economic strategy. Under these circumstances, working class in Pyongyang city are effecting a greater innovative achievement in producing export goods.

Since the outset of the year, they have persistently carried out the struggle to increase the production of export goods, being deeply aware of the importance of local trade in developing foreign trade. As a result, they have gained a proud achievement in increasing this year's export volume by 70 percent as of 15 December, compared to the same period of last year.

They have newly built approximately 200 export goods production bases and, also, by expanding their capacity, they have strongly laid a foundation for normalizing production at the higher level.

The great leader Comrade Kim Il-song has taught: "We should strongly build the export goods production bases in the various areas of the national economy. Also, we should increase the production of the export goods and enhance their quality. All sectors and local communities should increase the export volume and develop the processing trade by positively exploring and mobilizing the natural source."

Based on the precise calculation of foreign demand, functionaries of organizations and enterprises in the city—including the Pyongyang Municipal Administrative and Economic Committee—boldly set a target in a broad-minded manner from the beginning of the year, upholding the party's trade-first policy; actively led the masses to achieve it; and took the lead in solving all problems by setting examples and showing by practice rather than by precept, while arranging an organization of production and command [chihwi].

Functionaries and workers of Nungnado general bureau newly built a plant on a 6,000 square meter site, while stabilizing production at a higher level with the revolutionary spirit of self-reliance and fortitude. As a result, it has enabled them to achieve a three-fold increase in the production capacity of Sindok spring water.

The Pyongyang Clothing Plant and Pyongyang Changgwang Clothing Plant are carrying on the work of process organization, and are thoroughly keeping their credit in foreign trade by enhancing a sense of responsibility and serving as the role of mechanists to produce and guarantee various kinds of clothes on time. As a result, they have increased the export volume by five times compared to the same period last year.

Workers and engineers of the Pyongyang Soju Plant have modernized the refinery process by pooling their wisdom and might. They have also discovered a new ferment fungus that is strongly activated, introducing it to the production process. As a result, they have guaranteed the quality of goods at the highest level, thus increasing the production volume by six times compared to that produced in the past.

From the outset of the year, functionaries and the working class of various plants and enterprises in the Mangyongdae District and Kangnam County, which have vigorously incurred the flame of struggle to implement the party's trade-first policy, have already and satisfactorily provided material to the already-built export goods production base. They have also made good achievements in further increasing production by operating every machine at full capacity.

Plants and enterprises in the districts, counties, and cities have built many new bases or expanded their capacity during the period by making great efforts to build the export goods production base.

Functionaries and the working class in the Yongsong District have made up their minds to manufacture high cohesives [ungjipche], which are very effective economically, from the leftovers [pye solmul] that are rampant in rural communities, and to export them to other countries. Thus, they have modernized the production process with their own might and technology. As result, they have increased the export volume.

Functionaries and the working class in the Songyo, Potonggang, and Sosong Districts—who have cherished an iron-like faith that "what the party decides, we will do"—have vigorously carried out the work to positively research and mobilize export resources, and have built the export goods production base in a far-sighted manner. As a result, they have manufactured various kinds of good quality products, such as straw goods and handicrafts, to export to overseas markets.

Many plants and enterprises, including the 5 October Automation General Plant and the Pyongyang Plastic Daily Necessities Production Cooperative, have persistently carried out the work to build small and medium export goods production bases in conformity with their own situation. Thus, they have increased the base several times compared to the same period last year.

Foreign Party Leaders Congratulate Kim Chong-il

SK2801041495 Pyongyang KCNA in English 0404 GMT 28 Jan 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The great leader Comrade Kim Chong-il received messages of greetings on the new year from Rakotomandimby Selestine, national chairwoman of the Socialist Progressive Party of Madagascar; Arsene Bongnessan Ye, chairman of the Organization for People's Democracy-Labour Movement of Burkina Faso; President Marian Donnelly, and General Secretary Pat Quearney of the Workers' Party of Ireland; Mamadou el

Bechir Gologo, secretary general of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali; Leon Nzokene, general secretary of the Congolese Socialist Party; Ludo Martens, chairman of the Central Committee of the Belgian Labour Party; and Ibrahima N'Diaye, secretary general of the Executive Committee of the African Party for the Solidarity and Justice of Mali.

The messages extended warmest congratulations to Comrade Kim Chong-il and wished him a long life in good health.

The messages expressed the belief that the Korean people would make achievements in their struggle for the socialist construction and the reunification of the country under the wise leadership of Comrade Kim Chong-il.

Kim Chong-il's Work Printed in Russian Booklet

SK2701051195 Pyongyang KCNA in English 0439 GMT 27 Jan 95

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA)—"Socialism Is a Science," a famous work of the great leader Comrade Kim Chong-il, was printed in booklet by the Paleya publishing house of Russia on January 24.

A gathering took place that day on the occasion.

It was attended by chief editors of newspapers and men of literature, art and the press.

Speeches were made at the gathering.

Nicolai Mishin, president of the Paleya publishing house, said the work clarifies the scientific accuracy and truth of socialism as a science. He stressed that Comrade Kim Chong-il is a great thinker and theoretician.

"Today the Democratic People's Republic of Korea is showing how to build socialism with its practical example," he said.

Chief editor of the paper PATRIOT MIKHAIL ZEMSKOV, secretary of the Central Committee of the Communists League Vladimir Markov, chief editor of the paper VETERAN ANATOLI DANILOV, a writer Alexandr Brezhnev and chief editor of the paper GLASNOST YURI IZYUMOV said the work has inspired the people in their struggle for socialism.

Russian Group Elects Kim Chong-il Man of Year

SK2801151495 Pyongyang KCNA in English 1459 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The "Eurasian Common Home" association of Russia elected the great leader Comrade Kim Chong-il "1994 yearman."

A ceremony for presenting the diploma and medal of "1994 yearman" awarded to Comrade Kim Chong-il took place in Moscow on January 26.

President of the association Zaindi Shakhbiyev [name as received] handed them to the Korean ambassador to Russia.

Printed in the diploma are a portrait of Comrade Kim Chong-il and the great leader President Kim Il-song's proposition "The destiny of a nation can be saved only through the unity and struggle of all the forces that love their country and treasure their nation."

It also carries the following letters:

"Dear Comrade Kim Chong-il, the leader of the Korean people, elected '1994 yearman' by a unanimous decision of the prize committee of the 'Eurasian Common Home' association which involves representatives of its central headquarters and regional branches and chapters.

"He is elected '1994 yearman' because he made great success in a peaceful solution to the nuclear issue in the Korean peninsula and has made strenuous efforts to unite the Korean people and shape a bright future.

"We award the diploma and medal of '1994 yearman' to Comrade Kim Chong-il."

Seen in the centre of the round-shape medal are a picture symbolic of the association and letters "Kim Chong-il, 1994 yearman, the Eurasian Common Home."

Speeches were made at the ceremony.

Celebrating Kim Chong-il's Birthday Abroad Urged

SK2901110395 Pyongyang KCNA in English 1014 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—The Mongolia-Korea Friendship Association on January 24 issued an appeal to organizations for friendship and solidarity with the Korean people in various countries calling for grandly celebrating the birthday of the great leader Comrade Kim Chong-il as a common holiday of humankind.

Noting that socialism is making a long drive only in the Democratic People's Republic of Korea at a time when the international situation is complicated and socialism was frustrated in some countries, causing political and social confusion, the appeal said:

This is entirely because Korea is guided by Comrade Kim Chong-il, who has successfully inherited the chuche idea founded by Comrade Kim Il-song, a prominent activist and the great leader of the world peaceloving people, and indicated the way to be followed by the world people.

Today the world recognizes Comrade Kim Chong-il as the lodestar of the time which lights the future and the great leader who will guide the 21st century and organizations of different countries for friendship and solidarity with the Korean people have called for a grand celebration of his birthday, February 16, as "day of chuche" and are preparing colorful functions.

The Mongolia-Korea Friendship Association, expressing full support for this appeal reflecting deep respect and reverence of the world people for Comrade Kim Chong-il, calls on all the organizations for friendship with the Korean people to sponsor nationwide "February spring friendship art festival" in each country in February from this year as a traditional function as well as various activities so that February 16 may be celebrated on a larger scale as "day of chuche."

British Communist Party Adopts Kim Chong-il Book

SK2901093295 Pyongyang KCNA in English 0858 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—The Secretariat of the New Communist Party of Great Britain at its meeting decided to adopt the famous work of the great leader Comrade Kim Chong-il "Socialism Is a Science" as a must book of the party. It also decided to carry the news of the publication of the work in the party's organ, distribute it to the party members and introduce repercussions of the work upon the party members and readers in the readers' column of the party's organ.

Kim Chong-il Meets People's Army 'Agitators'

SK2801084995 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 28 Jan 95

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], has met with and congratulated the participants in the ninth meeting of the KPA Agitators.

The great leader [yongdoja] of our party and our people, Comrade Kim Chong-il, chairman of the DPRK National Defense Committee and supreme commander of the KPA, met with and congratulated the participants of the ninth meeting of the KPA agitators today.

The meeting participants warmly welcomed Comrade Kim Chong-il, supreme commander of the KPA, while giving a thunderous cheer and shouting revolutionary and militant slogans.

The respected and beloved Supreme Commander Comrade Kim Chong-il was given a floral bouquet showing the boundless admiration of the meeting participants, and all KPA officers and men.

Also participating in this meeting were Comrade O Chin-u, first vice chairman of the DPRK National Defense Committee and minister of people's Armed Forces; Comrade Choe Kwang, vice chairman of the DPRK National Defense Committee and chief of General Staff of the KPA; Comrades Yi Ul-sol, Kim Kwang-chin, and Kim Pong-yul, members of the DPRK National Defense Committee and vice marshals of the KPA; Comrade Yi Pong-won, full general of the KPA; Comrade Pak Chae-kyong, colonel general of the KPA; and other general-grade officers of the KPA.

Comrade Kim Chong-il warmly congratulated the participants of the meeting on actively contributing to further consolidating the people's Army as the ever-victorious, revolutionary Armed Forces which are boundlessly loyal to the party and the revolution, and to the fatherland and the people, while harboring endless loyalty to the party and the leader [suryong]. He had a souvenir photograph taken along with the meeting participants.

The meeting participants could not suppress their great emotion over the fact that the respected and beloved Supreme Commander Comrade Kim Chong-il personally met and warmly encouraged them, and gave them love and trust. At the same time, they were filled with the firm resolve to actively contribute to increasing, in every way, the might of the singlehearted unity of our people's Army, which has achieved perfect harmony with the party and the leader [suryong], by effecting a new turn in the propaganda and agitation work within the Army in conformity with the demands of the chuche-orientation of the entire Army.

Attends People's Army Performance

SK2901082495 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 29 Jan 95

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], and the participants of the ninth KPA agitators meeting, attended "The Army and the People in One Mind Upholding the General" dance suite performed by the KPA Artists Ensemble. Comrade Kim Chong-il, chairman of the DPRK National Defense Commission, supreme commander of the KPA, and great leader [widaehan yongdoja] of our party and our people, along with the participants in the ninth KPA agitators meeting, saw the dance suite "The Army and the People in One Mind Upholding the General" performed by the KPA Artists Ensemble at the 8 February House of Culture on 28 January.

When Comrade Kim Chong-il entered the auditorium, a burst of applause and cheers and revolutionary and militant slogans rang out seething the inside of the performance site with gratitude and excitement.

Also attending the performance were Comrade Choe Kwang, vice chairman of the DPRK National Defense Commission and chief of the General Staff of the KPA; Comrades Kim Kwang-chin and Kim Pong-yul, members of the DPRK National Defense Commission and vice marshals of the KPA; KPA General Comrade Yi

Pong-won, KPA Colonel General Comrade Pak Chae-kyong, and other KPA general-grade officers.

"The Army and the People in One Mind Upholding the General" dance suite produced by the KPA Ensemble is a characteristic artwork which combines the dance work overflowing with high militancy and appeal, abundant emotion, and true feelings of life in harmony with well known music and formative performing arts.

The performers displayed in a great epic drama the relations of kinship between the Army and the people formed on the single road of loyalty to the party and the leader for the protracted period since the era of the anti-Japanese armed struggle up to today, thus powerfully confirming the great vitality of our party's great Army-people harmony idea.

Those who saw the performance, which overflowed with revolutionary spirit, proudly looked back to the days when the Army and the people were in one mind and heart and embroidered the trial-laden road of the revolution with shining victory. They, therefore, were determined to bring the traditional beautiful virtue of Army-people harmony into fuller bloom to complete our party's chuche revolutionary cause without fail.

Comrade Kim Chong-il was very pleased with the KPA Ensemble producers and artists excellently producing and performing the dance suite of high ideological and artistic nature, and highly appreciated their success.

Comrade Kim Chong-il said that this work is a good work of great visual education in revolutionarily indoctrinating the party members, working people, and soldiers, and stressed that the performance activities should be shown extensively so more soldiers and people can see the dance suite.

Comrade Kim Chong-il expressed the conviction that the KPA Ensemble will produce and perform more works of high ideological and artistic nature and actively contribute to the ideological indoctrination of the soldiers and people so that it can carry out its mission and duty as a revolutionary and militant art unit.

Kim Chong-il Thanks Marine Transport Official

SK2801040695 Pyongyang KCNA in English 0400 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The great leader Comrade Kim Chong-il sent thanks and gifts to Cha Sok-yong, an official of the Ministry of Marine Transport, and his wife Kim Song-suk who had done a good thing for the improvement of the people's health.

Cha Sok-yong, who, since the great leader President Kim Il-song passed away, had blamed himself for doing nothing to delight him, resolved to do a good thing for the party and the leader, for the country and the people. With his wife, he contributed to introducing medical equipment based on up-to-date science and technology, which is greatly helpful toward the protection and improvement of the people's health.

The speakers at the thanks-conveying meeting vowed to work hard to make the country, the fatherland more prosperous, united closely around Comrade Kim Chong-il.

Kim Chong-il Work on Party Strengthening Stressed

SK2801111595 Pyongyang KCNA in English 1040 GMT 28 Jan 95

["Highly Important Work To Strengthen Party"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—20 years have elapsed since the great leader Comrade Kim Chong-il published a famous work on further improving the work method of the party and pushing ahead with the three revolutions for a new upswing in socialist construction.

Comrade Kim Chong-il in his work published on January 28, 1975 indicated the highly important guideline which should be firmly maintained in strengthening the party and accelerating socialist economic construction including the questions of converting the party work into the work amongst the people to all intents and purposes and letting the party officials guide and help administrative and economic work with a political method and effecting an upswing in economic construction under the banner of the three revolutions.

The work is a precious guideline which expounded the way of constantly improving the work method of the party to consolidate the Workers' Party of Korea organisationally and ideologically and strengthening the blood ties between the party and the masses and stepping up socialist construction.

NODONG SINMUN today in an article says the idea and theory and policies set forth in this work have turned out to have a great vitality in practice and their validity has been fully proved.

Today the party work has fully turned into the work amongst the people.

All the officials have been prepared to be true revolutionaries with firm revolutionary outlook on the leader and the party ranks have been firmly built up to be a loyal unit of chuche-type revolutionaries.

Today the party officials guide and help the administrative and economic work with a political method and continued innovations and upswing have been effected in socialist economic construction under the banner of the ideological, technical and cultural revolutions.

Pyongyang Monuments to Kim Il-song, Party Noted

SK2801044195 Pyongyang KCNA in English 0434 GMT 28 Jan 95

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA)—The monument to the party foundation is being built in Pyongyang at full steam with the 50th anniversary of the founding of the Workers' Party of Korea as an occasion.

The monument will include three 50 metre-high granite towers on a circular stylobate with a diametre of 70 metres and a belt-shaped cylindrical structure with a diametre of 50 metres symbolizing the singlehearted unity of the leader, the party and the masses. The three towers portray a worker, a peasant and an intellectual holding high the hammer, the sickle and the writing brush.

The monument has made its grandiose appearance three months or more after its ground-breaking.

There are many monumental edifices representing the Workers' Party era in the capital city of Pyongyang.

The most magnificent and splendid of Pyongyang's edifices is the Grand Monument on Mansu Hill.

It was unveiled on the occasion of the 60th birthday of the great leader President Kim Il-song (April 15, 1972).

A statue of President Kim Il-song is standing in the centre of the Grand Monument covering an area of 240,000 square metres, flanked by a monument to the anti-Japanese revolutionary struggle and a monument to the socialist revolution and socialist construction each 22.5 metres high, showing the Korean people's struggle at various stages of revolution.

Inscribed on the front wall of the Korean Revolution Museum is a large-scale mozaic mural painting (70 metres long and 12.85 metres high) portraying Mt. Paektu as the backdrop of the grand monument.

The Tower of the Chuche Idea, 170 metres high, is standing imposingly on the River Taedong. It is the crystalization of monumental arts for its magnificent scale, peculiar architectural style and highest level of the portrayal of plastic art. The tower was unveiled on April 15, 1982, the 70th birthday of President Kim Il-song.

The tower is composed of 70 stages of 25,550 big and small granite plates, which portray the days and years of the president's life till his 70th birthday.

The 20 metre-high torch on the tower is made of red-colour special material.

In front of the tower there stands a three-person sculpture, the main theme, portraying a worker, a peasant and an intellectual who follow the chuche idea, holding high a hammer, a sickle and a writing brush, the emblem of the Workers' Party of Korea, and on either side of the tower there are groups of sculptures of such subsidiary themes as "independent industry", "bumper harvest", "country of learning" and "art of chuche".

The Arch of Triumph is a monumental edifice built on the street in front of the Kim Il-song Stadium. The four-storeyed arch is 60 metres high, 52.5 metres long and 36.2 metres wide.

The Korean people built this monument on the historic site where President Kim Il-song, who had led the anti-Japanese revolutionary struggle to brilliant victory, made a historic speech on October 14, 1945 after returning in triumph to Pyongyang.

Besides, in Pyongyang there are many monumental architectures such as the 150,000-seat May Day Stadium with a total building area of 207,000 square metres, the Three Revolution Exhibition built on a large scale over an area of more than 1,100,000 square metres (with a total floor space of about 80,000 square metres), a sports village in Chongchun Street with ten gymnasiums and a stadium, the Monument to the Victory in the Fatherland Liberation War, the East Pyongyang Grand Theatre, the Central Youth Hall, the Grand People's Study House with a total floor space of 100,000 square metres and a capacity of 30 million books and 4,000 seats, the Mansudae Art Theatre and the February 8 House of Culture.

Meeting Held on Kim Il-song Guidance Anniversary

SK2901110795 Pyongyang KCNA in English 1027 GMT 29 Jan 95

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA)—A meeting was held here on Saturday on the lapse of 30 years since the great leader President Kim Il-song guided a general party meeting of the Ministry of Foreign Trade.

The participants of the meeting observed a moment's silence in memory of President Kim Il-song who devoted his whole life to the prosperity of the country, the happiness of the people and the cause of global independence.

In his report, Han Song-yong, Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK], noted that in his concluding speech at the general meeting, the great leader indicated tasks and ways for implementing the WPK's policy of foreign trade such as the maintenance of independence in foreign trade and the expansion of foreign market.

The reporter continued:

"Over the last 30 years, the foundation of the independent national economy of the country has been consolidated and export bases have been built in different parts of the country, with the result that independence has been firmly maintained in foreign trade, economic exchanges with foreign countries have grown in scope and the material and technical needs for the development of the national economy have been met satisfactorily.

"It is entirely thanks to the wise guidance of the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il that Korea, which once suffered an eclipse on the world map, has constantly developed external economic relations with big and small countries on the principle of complete equality and mutual benefit under the banner of socialism, defying the challenges of the imperialists and reactionaries.

"Foreign markets must be actively explored and foreign trade be conducted in a bold and audacious way in various forms and ways in keeping with the changed situation."

'Natural Phenomenon' at Chongil Peak Described

SK3001124695 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 28 Jan 95

[FBIS Translated Text] An unprecedented mysterious natural phenomenon is being created at the foot of Chongil Peak, which imposingly towers and shines in the forest of Mt. Paektu.

With the approach of the meaningful February, a towering mass of clouds from Mt. Paektu came and then scattered; and, large snowflakes fell for a long time at Chongil Peak and in its vicinity, creating a charming and magnificent snowscape.

As if to reflect the minds of our people who, in bitter tears, have ushered out the old year and ushered in a new year, even on Iptong [onset of winter, the 19th of the 24 seasonal divisions in the lunar calendar, which falls on or around 8 November] and Tongji [winter solstice; the 22d of the 24 seasonal divisions] at the end of last year, and on the New Year's Day, even small pellets of dry snow fell here in a much smaller quantity than previous years. After the cold spell of Sohan and Taehan [the 23d and 24th of the 24 seasonal divisions of the lunar calendar, which fall on or around 6 and 21 January, respectively], suddenly a warm spell arrived and the white snow was piled higher than a man's height, thus creating a magnificent scene that fascinated people. Upon seeing this, we can say that the great nature of Mt. Paektu, too, does not forget the historic time and time-honored place, which holds in esteem a matchlessly great man.

Big and small icicles hang from the eaves of the hometown house in a secret camp of Mt. Paektu, the cradle land of revolution, and from the leaves of the trees in its vicinity. As a result, glass-bead-like water drops shone in the daylight, and the (?Sobaeksu orchid) had white frost flowers in full bloom that shone in the sunshine and sprayed into the air clear and bright clouds of ice drops, thereby creating a more charming and magnificent scene at the foot of Chongil Peak.

With the approach of the festivity of February, a charming and magnificent snowscape is created without fail and the temperature rises from two to three degrees, sometimes, four to five degrees higher than average. A premature air of spring is already in lively motion. This also is a mysterious phenomenon.

As regards the fact that the natural wonders at the foot of Chongil Peak are in harmony with the minds of our people following the great leader [yongdoja] Comrade Kim Chong-il, the residents in this area cannot suppress their great pride and dignity in upholding a heaven-sent, legendary great man.

Paper Stresses 'Revolutionary Comradeship'

SK3001104995 Pyongyang KCNA in English 1024 GMT 30 Jan 95

["Revolutionary Comradeship, Source of Singlehearted Unity"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA)—Our singlehearted unity which was achieved in the flames of the anti- Japanese revolutionary struggle and constantly consolidated and developed has been cemented as firm as a rock and its might has grown hundred-fold even in the days when we shed bitter tears at the loss of the fatherly leader president Kim Il-song. This is because the whole party and all the people are welded together in revolutionary comradeship with the great leader Comrade Kim Chong-il as the core.

NODONG SINMUN declares this in a by-lined article today.

Noting that revolutionary comradeship is an important guarantee for the immovability of the core of singlehearted unity, the article says:

Our singlehearted unity has had its immovable center from the beginning of its achievement because of the greatness of the leader and the revolutionary comradeship and sense of obligation of the people in absolutely trusting and following the leader. Although the fatherly leader passed away, the centre of our singlehearted unity is unshakable and it never vacillates.

The greatness of respected Comrade Kim Chong-il who has fully inherited the noblest personality, benevolence and revolutionary comradeship of the fatherly leader, leads the revolutionary soldiers and people with deepest love and trust and is developing a new history of comradeship of the Workers' Party era, a new era of benevolent politics; has instilled into the minds of all our party members and people the iron will to share the idea, intention and destiny with him, and has tightly bound the whole party and all the people with one blood tie.

The firm faith and comradely sense of obligation that respected General Kim Chong-il is immediately the fatherly leader President Kim Il-song and to remain faithful to the leadership of General Kim Chong-il is to live and struggle as soldiers and disciples of the great leader President Kim Il-song are prevailing in the whole party, among all the people and in the entire Army and this is why our singlehearted unity has been firmly defended and further strengthened and developed.

Revolutionary comradeship is a solid foundation for strictly ensuring the ideological purity of unity and cohesion.

The ideological purity of our unity and cohesion could be fully ensured in the whole course of protracted and rigorous Korean revolution because comradeship based on the ideology and intention of the leader has been fully displayed.

The ranks of our singlehearted unity which keep step with one centre, whether they be millions or tens of millions strong, are replete with the rock-firm determination to carry to completion the revolutionary cause of chuche started by the fatherly leader President Kim Il-song, united around the great leader Comrade Kim Chong-il in one mind.

Sunchon Thermal Power Plant Increases Generation

SK2701080895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 25 Jan 95

[FBIS Translated Text] With the resolve to mark the 50th anniversary of the founding of the Workers Party of Korea with brilliant labor feats, electricity-generating workers of the Sunchon Thermal Power Station are now fully operating all the power generation equipment to produce 400,000 to 500,000 kwh more electricity than at the beginning of the year.

Increasing the condensers' vacuum rate and operating at full capacity, operators of the Nos. 1 and 4 Workshops increased each generator's electricity production by 1.2 times.

Kaesong Aids Farms by Sending Farming Machines

SK2701064995 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 23 Jan 95

[FBIS Translated Text] According to news by reporter Choe Chin-kun of the Central Broadcasting Network, party members and workers in Kaesong are continuing to vigorously assist socialist farms by highly upholding the party's policy that agriculture is important.

Some time ago, city party members and workers sent hundreds of tonnes of compost to cooperative farms near the city. Recently, they earnestly provided 172,000 small and medium agricultural machines of 48 kinds and 210,400 farming material of 73 kinds, sending them to cooperative farms near the city.

The Kaesong textile plant, the urban construction work site, a clothing plant, a towel plant, a glass plant, and the Songwol production cooperative set examples in the work of assisting farms.

South Korea

DPRK-U.S. Expert-Level Talks Begin in Berlin

SK2801044495 Seoul YONHAP in English 0436 GMT 28 Jan 95

[FBIS Transcribed Text] Berlin, Jan. 28 (YONHAP)—North Korean and U.S. experts began talks here Saturday on the details of providing light-water reactors to North Korea.

Delegates from the two sides are expected to focus on the type of reactor for the North and the technical details of the contract between Pyongyang and the Korea Energy Development Organization (KEDO), the international consortium tasked with supplying reactors to the communist country in return for freezing its nuclear development program.

The North Korean delegation led by Kim Chong-u, vice chairman of the External Economy Commission, and the U.S. delegation headed by Gary Samore, assistant director of the Nonproliferation Bureau of the State Department, met at the North Korean interest section here at 9:30 A.M.

They will continue negotiating for four days until Tuesday. The talks can be extended one or two days if need be, a source said.

The U.S. side will try to convince North Korea that it has no other choice but to accept the South Korean-style reactor model to which major KEDO members—South Korea, the United States and Japan—have already agreed, sources said.

Difficulties Over Reactor Noted

SK2801131695 Seoul KBS-1 Television Network in Korean 1222 GMT 28 Jan 95

[FBIS Translated Text] Today, North Korea and the United States began experts talks in Berlin on the light-water nuclear reactors to be installed in North Korea. The talks are experiencing rough sailing from the first day of talks due to North Korea's opposition to the adoption of the ROK-type reactors. Correspondent Yi Myong-ku reports from Berlin.

[Begin Yi recording] During the experts talks, North Korea has opposed the adoption of ROK-type reactors, insisting that North Korea has the right to choose the model of light-water reactors. Regarding this, the U.S. side is attempting to persuade North Korea that there is no other realistic alternative but to choose the ROK-type reactors. Accordingly, the talks are experiencing rough sailing.

During the Geneva talks, however, the two sides reportedly arrived at an understanding that vital parts for the reactors will be of the ROK-model type. Therefore, the current tug-of-war between the two sides stems from the fact that the North Korean delegates have their people back home in mind.

In the meantime, Kim Il-song's pictures that had been put up on the bulletin board at the North Korean Interests Section have all been replaced with Kim Chong-il's, hinting that Kim Chong-il's succession to power is near. This has been Yi Myong-ku reporting from Berlin. [end recording]

No Agreement on Reactor Style

SK2901041595 Seoul KBS-1 Radio Network in Korean 0300 GMT 29 Jan 95

[Berlin-based correspondent Yi Myong-ku]

[FBIS Translated Text] At the expert-level meeting that continued until early this morning Korean time, the United States and North Korea discussed the draft agreement on light-water reactors, but failed to reach a conclusion owing to the difference in views over the selection of ROK-style reactors.

At the first day's meeting, Gary Samore, senior U.S. delegate, stressed there is no alternative other than an ROK-style reactor. Kim Chong-u, senior North Korean delegate, responded that North Korea cannot accept the ROK-style due to safety and dependability problems.

The United States urged North Korea to begin the North-South dialogue at an early date as a precondition to the supplying of the light-water reactors.

The United States and North Korea are supposed to hold a second day of expert-level meetings at the Berlin office of the U.S. Embassy at 1730 this afternoon Korean time [0830 GMT].

Views Exchanged 'Intensively'

SK2901060495 Seoul YONHAP in English 0559 GMT 29 Jan 95

[FBIS Transcribed Text] Berlin, Jan. 28 (YONHAP)—U.S. and North Korean officials on Saturday discussed the light-water reactor supply accord and particularly the issue of specifying South Korean model in the agreement in the first-day session of the second round of their experts' talks.

In a three-hour meeting Saturday morning, which was extended into a lunch session, the two sides exchanged their respective stances and views on various aspects of the supply accord, which North Korea will conclude with the Korea Energy Development Organizasion (KEDO), an international consortium tasked with supplying the North with light-water reactors, a talks source said.

In particular, views were exchanged "intensively and frankly" on whether to specify in the supply accord South Korean model, according to the source.

The U.S. side of the experts' talks is headed by Gary Samore, deputy director of the State Department's nuclear non-proliferation division, while the North Korean delegation is led by Kim Chong-u, vice chairman of the External Economy Commission.

North Korea reportedly paid great attention to the establishment and operation of the KEDO, and the United States stressed the need of resuming inter-Korean dialogue.

The United States noted that South Korea, the United States and Japan have agreed to offer to the North South Korean-model light- water reactors, and that South Korea will be the principal contractor in the supply accord.

The United States told the North Koreans that there is no alternative for the North but to accept South Korean model, and that this matter of principle cannot be subjected to negotiations, according to sources.

But North Korea again expressed its opposition to South Korean model on grounds that it is "unsafe and unreliable," as it did in the first round of the experts' talks here in September and another experts' talks in Beijing in November, according to the sources.

It was not known whether North Korea suggested any other specific reactor type in place of South Korean model.

The experts' talks will resume Sunday at the Berlin branch of the U.S. Embassy in Bonn.

Delegates 'Not Closing the Gap'

SK2901095195 Seoul KBS-1 Radio Network in Korean 0932 GMT 29 Jan 95

[FBIS Translated Text] The United States and North Korea began their second day of experts talks at the U.S. Embassy's Berlin office at 1730 today [0830 GMT]; and they are now discussing the question of an agreement on supplying light-water reactors.

At today's talks, the two sides are intensively discussing the question of supplying ROK-style light-water reactors. But because the two sides are in a bitter tug-of-war in terms of their respective views, they are not closing the gap between their views.

U.S., North Delegates Hold 'Unofficial' Talks

SK3001113995 Seoul KBS-1 Radio Network in Korean 1100 GMT 30 Jan 95

[Report by Yi Myong-ku from Berlin]

[FBIS Translated Text] At 1900 Korean time [1000 GMT] on 30 January, the United States and North Korea held their second day of experts talks at the U.S. Embassy office in Berlin and started discussions on the agreement to supply light-water reactors. The two sides planned to hold talks on 29 January, but they met today unofficially—without holding official talks—under the pretext of consultations with their respective governments.

North Korea stated the official talks were not held because the U.S. side had consulted with its government, but it has not disclosed the contents of any proposal.

At today's meeting, the two sides are expected to mainly discuss the provision of the Korean-model light-water reactors to North Korea, but their opinions [uigyon] were in serious conflict during the first-day meeting. It is not likely, therefore, that their views will easily reach concurrence.

Changes in U.S. Congress on Nuclear Accord Noted

SK3001131395 Seoul TONG-A ILBO in Korean 30 Jan 95 p 3

[Editorial: "North Korea Should Look Squarely at U.S. Congress"]

[FBIS Translated Text] We would like to advise North Korea to look squarely at the perception of a majority of U.S. Congressmen and U.S. conservative forces regarding the Korean peninsula and their concern over the North-U.S. agreement on the nuclear issue, which were exposed at public hearings held at the U.S. Senate last week. We are giving this advice to North Korea because the U.S. Congress is presently led by the Republican Party and because the U.S. Administration cannot unilaterally implement U.S. foreign policy without the consent of the Congress.

In the process of North Korea's implementation of the North-U.S. nuclear agreement, it is trying to sidestep the question of South- North dialogue, as it did during the Geneva talks. This is a big miscalculation. Since the Republican Party became the majority party, U.S. public opinion has returned to advocating conservatism. A concrete example of this was shown at the Congressional hearings on the North-U.S. nuclear agreement, which were held for the first time since the new Congress was organized. North Korea should realize that, unlike a totalitarian system like North Korea, the U.S. Congress has an important role in the decision-making process of U.S. foreign policy.

A few facts disclosed during the latest congressional hearings are that unlike the Clinton administration's optimistic outlook on the Korean peninsula, U.S. Congressmen think the situation on the Korean peninsula is still precarious and that North Korea still poses a danger. We believe the perception of the U.S. Congress is a correct analysis of reality, which is buttressed by a similar analysis maintained by Gary Luck, commander of the U.S. Forces in Korea.

The U.S. Congress feels there are many political and technical loopholes and many other unsatisfactory matters in the agreement the Clinton administration reached with the North on the latter's nuclear issue. This is of great significance. Therefore, the U.S. Congress strongly advises that the most urgent way to compensate for the agreement is to realize South-North dialogue. A group of U.S. Congressmen have already presented this in a resolution to their government. This means that through the latest hearings, the U.S. Congress and Government have agreed, to some extent, that the implementation of the agreement should be linked with the realization of South-North dialogue.

North Korea should pay the greatest attention to this point, because future improvement of South-North relations will exert influence on the pace of improvement of North-U.S. relations. As long as North Korea makes unreasonable calls for convening a grand national meeting, to the exclusion of the South Korean Government, and for concluding a peace agreement with the United States, also to the exclusion of the South, it will be difficult for North-U.S. relations to improve smoothly.

One of the technical problems raised at the Congressional hearings was that the delay of special inspections [of North Korea's nuclear facilities] removed a sure-fire guarantee to prove North Korea had discontinued its nuclear development program. As a result, North Korea may be able to again attempt to secretly seek nuclear development.

ROK citizens are most concerned about this point; and it is also a factor that may jeopardize the situation on the Korean peninsula again.

In fact, although the U.S. Congress knows there are loopholes in the agreement, it is reluctantly consenting to the agreement to avoid criticism that the Congress has abrogated the agreement. Instead, the Congress is calling upon the administration to ensure that unless North Korea faithfully implements the agreement, including the realization of South-North dialogue, North Korea will never receive relevant benefits. Now, the question is if North Korea will return to the table of South-North dialogue. We would like to once again advise North Korea to look squarely at the changes in the U.S. Congress and U.S. public opinion.

N-S Relations Linked to Liaison Office Issue

SK3001064595 Seoul KYONGHYANG SINMUN in Korean 30 Jan 95 p 1

[Report by Yi Pyong-kwang]

[FBIS Translated Text] It has been learned that the United States will establish mutual liaison offices with North Korea only after mutual visits between North and South Koreans are ensured in the agreement to support light-water reactors for North Korea.

According to the Foreign Ministry on 29 January, the U.S. Government conveyed this position to our government through U.S. Deputy Secretary of State Strobe Talbott who visited the ROK last week.

Thus, it is almost certain the establishment of liaison offices between North Korea and the United States will occur after the conclusion of an agreement to support the light-water reactors, the deadline of which is 21 April pursuant to the Geneva framework agreement.

A high-ranking Foreign Ministry official explained: "The United States is aware that it is imperative for the North Korean authorities to ensure the visit of our technicians to North Korea in order to construct the light-water reactors, and thus informed our side of such a U.S. policy." He added: "This was prompted by the common perception between the ROK and the United States that

North- South relations should advance parallel with North Korea-U.S. relations."

This official pointed out: "With this as the U.S. policy, one may consider that North-South relations are, in fact, linked with the establishment of liaison offices." Thus, he suggested that in the event North Korea does not show sincerity for North-South relations, the establishment of liaison offices may be delayed unexpectedly.

'Delicate War of Nerves' With U.S. Alleged

SK3001020395 Seoul TONG-A ILBO in Korean 30 Jan 95 p 3

[FBIS Translated Text] It was learned on 29 January that President Kim Yong-sam issued a special directive to the cabinet's new security team, which was formed during the recent reshuffle, taking a resolute position lest the impression is given that the ROK is being alienated in the implementation of the U.S.-DPRK Geneva agreement, including support for light-water reactors to North Korea.

The United States, however, is moving to put the brakes on such a move by our government by expressing concern. As a result, a delicate war of nerves is taking place between the ROK and the United States.

According to President Kim's directive, the Foreign Ministry carried through on the plan to stipulate "an ROK-style light-water reactor" in the regulations regarding the formation of the Korea Energy Development Organization [KEDO], which will support the light-water reactors in North Korea, persuading the United States and Japan to accept this plan, and thus changing the previous plan not to stipulate the model name.

Meanwhile, in an exceptional move, U.S. Secretary of State Christopher allotted more than two-thirds of his congratulatory letter of greetings to ROK Foreign Minister Kong No-myong on his inauguration to urging the early formation of KEDO, expressing concern about the ROK Government's move to secure the organization's leadership. In addition, the United States intensified its right and authority to have KEDO's secretary general nominated from the United States, and strengthened its right of decision at the KEDO's Standing Executive Council.

Concerning this, a relevant government official pointed out: "At present, the United States is emphasizing the improvement in U.S.- DPRK relations and the resumption of North-South dialogue. It is unknown, however, whether the United States will take the same position as us in the event North Korea does not respond to North-South dialogue until 21 April, the deadline for concluding the agreement between KEDO and North Korea in support of light-water reactors." He added: "Our government is working on measures to cope with this."

Ratification of KEDO Finances Share Examined

SK3001082695 Seoul CHUNGANG ILBO in Korean 28 Jan 95 p 2

[Report by Kim Song-chin]

[FBIS Translated Text] It was learned on 28 January that the National Assembly will not ratify the agreement on establishing the Korea Energy Development Organization [KEDO] being discussed among the ROK, the United States, and Japan; or the agreement on supplying the light-water reactor to be concluded between KEDO and North Korea. The government, however, is actively examining possible ratification by the National Assembly of a separate measure stipulating financial burden sharing.

A Foreign Ministry official revealed on 28 January: "The agreement on establishing KEDO does not stipulate specifics on the proportion of financial burden sharing. Also, as we are not the party concerned regarding the agreement on supplying the light-water reactor, under international law, for the sake of formalities, it does not need to be ratified by the National Assembly. If a separate memorandum of guarantee or agreement stipulates our share of the $2.8 billion, we are actively examining the possibility of receiving National Assembly ratification."

He also stated: "Legally, there was no need to receive National Assembly ratification when we joined the United Nations, but we went through with it because of the burden of the share of expenses, which is a duty of member countries. We are moving toward receiving National Assembly ratification through a memorandum of guarantee that separately stipulates financial burden sharing or adoption of a form of an agreement."

According to the DPRK-U.S. Geneva agreement, KEDO must be established by 21 February and the agreement on supplying the light- water reactor between KEDO and North Korea must be concluded by 21 April.

Sharing of Financial Burden at KEDO Discussed

SK2901122695 Seoul MAEIL KYONGJE SINMUN in Korean 29 Jan 95 p 2

[FBIS Translated Text] It was learned on 28 January that, in connection with the project supporting the North's construction of light-water reactors, which is estimated to cost about $4 billion, the ROK, the United States, and Japan have agreed to decide on each country's share of financial burden in the Korea Energy Development Organization (KEDO), through separate memoranda to be exchanged between the three countries' governments after concluding an agreement with North Korea on supplying light-water reactors.

One high-ranking government official concerned said: "An agreement on establishing KEDO, which will begin its operations at the end of February, and another agreement, which will be concluded with North Korea before 21 April, will not have any specific stipulations about the sharing of financial burden. The governments of the three countries will exchange documents with the KEDO Secretariat in the form of memoranda guaranteeing that they will bear the cost for the KEDO project."

He added: "The KEDO project, including the supply of light-water reactors, will be implemented through commercial contracts between civilian enterprises and KEDO's Executive Committee. In this case, the civilian enterprises will need their government's financial guarantee. As part of this, memoranda will be exchanged."

He further said: "If an agreement on establishing KEDO or an agreement on supplying light-water reactors, which has no specific stipulations on the sharing of financial burden, is concluded, it will not be necessary to undergo a ratification process at the National Assembly. But, in case it is stipulated that the government shall bear financial burden, we will go through a ratification process at the National Assembly when the government and KEDO exchange a memorandum."

MND Plans To Promote Senior Delegate to MAC

SK3001041795 Seoul CHOSON ILBO in Korean 30 Jan 95 p 2

[Report by Kyong Yong-won]

[FBIS Translated Text] It was learned on 29 January that the Ministry of National Defense [MND] is reviewing measures to substantively strengthen the Military Armistice Commission [MAC], including promoting the senior UN delegate to the MAC, which has been held by a major general of the Army, to lieutenant general- grade.

This MND policy is being considered to enhance the position of our senior delegate following North Korea's promotion of their senior member from brigadier general to major general.

The position of the senior UN delegate to the MAC has been held by a U.S. Army general since the armistice. However, Major General Hwang Won-tak (18th-class graduate of the Korean Military Academy), an ROK Army general, was appointed as senior delegate in 1991 for the first time, having been posted to this position ever since. The position of the communist's senior delegate has been held by Major General Yi Chan-pok (equivalent to a brigadier general in the ROK Army), he was promoted to lieutenant general (equivalent to our major general) last year. A relevant MND official stated: "North Korea is moving to have direct dialogue with the U.S. Army by promoting its delegate. Therefore, it is imperative to promote our senior member to the MAC."

DPRK Premier Kang's Son-in-Law Interviewed

SK2801132795 Seoul CHOSON ILBO in Korean 28 Jan 95 p 5

["Exclusive interview" with Kang Myong-to, son-in-law of North Korean Premier Kang Song-san, by reporter Kim Hyon-ho; place and date not given: "There Is No Decision-Making Group Other Than Kim Chong-il"—first paragraph is CHOSON ILBO introduction]

[FBIS Translated Text] Mr. Kang Myong-to, son-in-law of North Korean Premier Kang Song-san, had his first interview with CHOSON ILBO since he held a news conference in July after he defected. A man who closely watched the depth of the North Korean power hierarchy, working in the accounting department of the North Korean presidential palace, he said, "There is no force in North Korea that can challenge Kim Chong-il." He said Kim Chong-il is postponing his official succession to the top posts, such as president of North Korea, because North Korean residents are suspicious about Kim Chong-il in connection with Kim Il-song's death.

[Kim] Some U.S. politicians who have recently been to North Korea note that there seems to be a decision-making group, other than Kim Chong-il, in North Korea.

[Kang] They say so because they do not know the nature of the North Korean power structure. Some said the Foreign Ministry and the Ministry of the People's Armed Forces were in discord over the repatriation of the U.S. helicopter pilot and that the decision on the repatriation itself was made by a group other than Kim Chong-il. This is utterly impossible, however. The Foreign Ministry and the Ministry of the People's Armed Forces cannot criticize each other. Each of them can only put forth its own proposal, and Kim Chong-il is the only person to make a decision on it. It is possible the military asserted over the incident of the U.S. helicopter, "this incident is in violation of the Armistice Agreement. We should take advantage of this opportunity to bawl at the United States." It is impossible that the military or any other group made a decision on the incident bypassing Kim Chong-il.

[Kim] Then, why is Kim Chong-il postponing his official succession to the posts of the party general secretary and North Korean president?

[Kang] The North Korean general public, as well as the North Korean power elite, still hold suspicions regarding Kim Il-song's death. Kim Il-song could not have died so abruptly. I know it better than anyone else because I worked in the accounting department of the presidential palace. It is quite probable that Kim Il-song died from a shock while arguing with Kim Chong-il at the Myohyangsan villa over the inter-Korean summit talks. The North Korean residents will think that Kim Chong-il was involved in Kim Il-song's death. If Kim Chong-il succeeds to the North Korean presidency, the suspicion will be heightened. It is highly likely that he will succeed to the post in September or so, after the first anniversary of Kim Il-song's death in July.

[Kim] What is Kim Chong-il's health condition?

[Kang] He originally had a problem with his kidneys and pancreas. In addition, he fell off a horse in September

1993 which resulted in brain injuries [noerul tachigo] and broken arms. Kim Chong-il likes British and French horses. Once, he had a hybrid of such origins. Without listening to the advice of those around him, Kim Chong-il rode this horse, which had not been broken in, and fell off it. Premier Kang Song-san signed all documents for three months while Kim Chong-il was injured. But, it is difficult to think that Kim Chong-il's health is serious or that it is deteriorating with each passing day.

[Kim] What is the North Korean residents' assessment of Kim Chong-il?

[Kang] Although he does not have the charisma Kim Il-song had; his authority is almost absolute. If the Kim Chong-il regime should collapse and another person assume power, he would not be able to control the residents' discontent. North Korea conducted a large-scale military parade in 1992 on the 60th anniversary of the founding of its People's Army partly because it attempted to calm down the people's discontent. Looking at the parade, North Korean residents would be proud while thinking "we have such wonderful weapons," and would be determined to further tighten their belts.

[Kim] If North Korea's economy continues to worsen and its open-door policy does not work, do you think North Korea will go so far as to ignite a war?

[Kang] As long as Kim Chong-il exists, I think North Korea will not bring on a war. He knows too well that North Korea would be defeated in a war. North Korea once thought of launching a southward invasion during the Kwangju incident in 1980 and again during the Aungsan [in the then Burma] terrorism incident in 1983. But, after the Soviet Union was disbanded, North Korea gave up a southward invasion. On the contrary, if Kim Chong-il should collapse, then North Korea would face internal confusion, and this might lead to a southward invasion. This may sound paradoxical, but in a sense, Kim Chong-il is playing a role of preventing a war.

North Reportedly Decides Not To Attend Forum

SK2901003995 Seoul THE KOREA HERALD in English 29 Jan 95 p 8

[FBIS Transcribed Text] North Korea has decided not to participate in the Northeast Asia Economic Forum in Nigata, Japan, next month, a researcher at the Asia-Pacific Institute (API) said yesterday.

Dr. Cha Sin-chun said the Norwh Koreans recently informed Japanese organizers that they will not attend the forum, reversing their original decision.

Another API official noted that Pak Sung-sang, API president who is currently visiting Hawaii, called the institute in Seoul Wednesday to say he had been informed of North Korea's decision.

The API held the fourth in Yongpyong, South Korea, in September 1993.

Senior North Korean officials including Kim Chong-u and Yim Tae- tok, chairman and vice chairman of the Committee for Promotion of External Economic Cooperation, respectively, were to attend the forum and contact South Korean companies to discuss economic opIportunities.

Officials and businessmen from the United States, Japan, China and Russia are also scheduled to attend the forum.

The first forum was held in China's Changchun city, Jilin Province, in July 1990 and the second at the same place in March 1991, with representatives from the United Nations Development Program (UNDP) attending.

In April 1992, North Korea invited forum representatives to visit to announce its ambitious plans for developing the Najin-Sonbong region.

The third meeting was held in Vladivostok in 1992 and the fourth in Yongpyong, South Korea, in September 1993, under the auspices of the API.

White Paper Views Interference in Reunification

SK3001074195 Seoul CHOSON ILBO in Korean 30 Jan 95 p 2

[Report by Ku Song-chae: "The Government's Reunification White Paper"]

[FBIS Translated Text] On 29 January the government published a report that warned against the increasing possibility of interference by outside forces in the reunification process and called for measures to cope with this.

The report predicted it is highly likely that North Korea will seek its own independent self-defensive measures in an attempt to break away from its isolation.

The National Unification Board [NUB] published "The 1994 White Paper on National Reunification." In the chapter "Evaluation of Changes in Reunification Circumstances and Prospects for New North- South Relations," the NUB pointed out that "the Korean peninsula is currently in a period of transition in which the former balance of power between the East and the West has collapsed, but other dynamic relations have not been formed" and that "indications of the U.S. attempt to secure the position of a superpower, of China's intent to increase its role on the Korean peninsula, and of the efforts of Russia and Japan to maintain their competitive influential power are appearing."

The White Paper also noted that "since the Soviet Union collapsed, dynamic relations between Russia, China, Japan, and the like have resulted in complex international relations in the area surrounding the Korean peninsula, and the interest of neighboring countries in the reunification of the Korean peninsula is increasing." The White Paper contends that the improvement in

U.S.- North Korean relations is being accelerated "amid a situation in which the relative strengthen of the U.S. position is not directly linked with regional security in Korea," and warned that this situation has increased "the possibility of China's interference in issues regarding the Korean peninsula through expansion of its influence on North Korea. As a result, the situation will exert negative influence on the reunification of the Korean peninsula."

The White Paper stressed it is earnestly desired that "the ROK should establish and push ahead with active foreign policies to secure and maintain its leading role in achieving national reunification" and to cope with possible intervention of outside forces in the course of reunification of the Korean peninsula.

NUB Spokesman on Plans To Deny Yi's Visit

SK2901060995 Seoul YONHAP in English 0603 GMT 29 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP)—The government plans not to permit major opposition Democratic Party leader Yi Ki-taek to visit North Korea, accepting a Pyongyang invitation.

North Korea invited Yi to visit the North Saturday [28 January] in a statement issued in the name of the (North) Korean Social Democratic Party.

Commenting on the invitation, National Unification Board [NUB] Spokesman Kim Kyong-ung said Sunday: "Inter-Korean dialogue cannot be achieved merely through visits to the North by certain individuals, political parties Und social organizations.

"The government's basic stance on South-North dialogue is that the door is always open wide for dialogue between responsible authorities of the two sides. The North should come forward to the arena of dialogue with a posture prepared for a substantial improvement of inter-Korean relations."

Pyongyang extended the invitation to Yi, praising his intent to visit the North expressed in his New Year's press conference as "a resolute step designed to open a turning point in achieving national unification."

Western Reporters Arrive in DPRK for Festival

SK2801134695 Seoul KBS-1 Television Network in Korean 1220 GMT 28 Jan 95

[FBIS Translated Text] On 27 January, some 60 reporters from Western countries and Japan arrived in Pyongyang upon the invitation of the North Korean authorities. This is unprecedented in view of the fact that North Korea has never invited such a large group of reporters to its capital. Correspondent Yi Kyun has the details from Tokyo.

[Begin Yi recording] Some 60 journalists from CBS, AFP news agency, Japan's NHK, and other news papers and broadcasting stations arrived in Pyongyang on 27 January via Air Koryo. As an exceptional case, North Korea is reportedly paying for lodging and all other expenses during their stay. North Korea insists that journalists were invited to cover in advance a so-called international sports and cultural festival for peace that is slated to be held in Pyongyang in April. However, observers see that this is a part of its first propaganda act to the Western world after the death of Kim Il-song. This has been Yi Kyun reporting from Tokyo. [end recording]

Unification Minister Discusses Separated Families

SK2801081795 Seoul KYONGHYANG SINMUN in Korean 28 Jan 95 p 3

[Report by correspondent Yi Chong-tak]

[FBIS Translated Text] It has been learned that it takes six months to three years for North Korean residents to get their passports for overseas travel, and that they have to pay a prohibitively high amount of money for this procedure.

Kim Tok, deputy prime minister and minister of national unification, said this in a meeting with representatives of families originally from North Korea who have been separated from their relatives in the North. The meeting was held at a conference room of the Provisional Building of the Offices of the Five Provinces in North Korea in Seoul on 27 January. Asked to lend his active support to the exchange of letters and reunions between the separated families, Deputy Prime Minister Kim made public the actual status of North Korea's issuance of passports.

He said that, presently, a total of 650 separated families are exchanging letters with their relatives in North Korea, and an increasing number of families are trying to find out through go- between agencies in the ROK, the United States, the PRC, and Canada whether their relatives in North Korea are still alive or not.

He added that the government has worked out a directory of relatives of separated families on the basis of the letters they have exchanged with North Korean residents, and that the government will continue to find out whether the relatives of the separated families residing in North Korea are still alive or not, while making the active use of the International Red Cross Society's project of tracking down missing people.

North Denounces South Koreans' Sending Money

SK2801123395 Seoul YONHAP in English 1122 GMT 28 Jan 95

[FBIS Transcribed Text] Seoul, Jan.28 (YONHAP)—North Korea denounced Saturday the South Korean government's measures allowing South Koreans to send money, clothing, medical supplies, television and other daily necessities to their separated family members or relatives in the North, dismissing them as a movement to aggravate the South-North relations, according to NAEWOE press.

North Korea's Committee for the Peaceful Reunification of Fatherland said in a statement that the measures recently announced by the National Unification Board (NUB) of South Korea "pursue an impure political end in which the South wants to foster an illusion over capitalism among North Korean people to disturb the inside (of the North Korean society)," said Seoul's official North Korean watcher quoting radio Pyongyang.

The committee also said "It's a disgusting and shameful trick to pretend that the South Korean Government has concerns over the issue of separated families," according to NAEWOE.

The committee insisted that North Koreans do not need such money and goods offered by the South because they live happy lives in modern apartments and luxurious houses provided by the government, according to NAEWOE.

Urging the South to abolish the National Security Law and repatriate to the North long-term prisoners who refuse to convert from communism, the committee stressed that "the South will have to assume all the responsibilities for the results stemming from the South's efforts to intensify tensions between the North and South."

DPRK Delegation Arrives in Philippines 30 Jan

SK3001115395 Seoul KBS-1 Radio Network in Korean 1102 GMT 30 Jan 95

[YONHAP from Manila]

[FBIS Translated Text] On 30 January, a North Korean high- level diplomat visited Manila to discuss officially establishing diplomatic relations with the Philippines. Yi To-sop, North Korean ambassador to Thailand, and his entourage arrived at Aquino Airport in the Philippines today and was greeted by Philippine protocol authorities.

Ambassador Yi and his entourage have not disclosed the purpose of their visit to the Philippines, but Philippine diplomatic sources stated they would meet with the relevant Philippine authorities to discuss the official establishment of diplomatic relations between North Korea and the Philippines.

The Philippines currently have diplomatic relations with the ROK.

North Korea has supported the Philippine Communist Party, which is now struggling against its government, for the past 26 years, but it has actively discussed the establishment of diplomatic relations with the Philippines in recent years.

Foreign Urgings for N-S Dialogue Denounced

SK2901022295 Seoul HANGYORE SINMUN in Korean 28 Jan 95 p 3

[Editorial: "Even Others Call for North-South Dialogue"]

[FBIS Translated Text] It is appreciable that others are interested in our affairs, but sometimes it can be a burden as well as a bother. As soon as the U.S. opposition party occupied a majority of seats in the U.S. Congress, it called the secretaries of State and Defense to hearings, asking them if the North Korea-U.S. agreement is appropriate. It was natural to ask, seeing as the United Sttes is a party to the talks. However, it makes us sad to hear that ruling and opposition party lawmakers in the U.S. Senate and House of Representatives submitted a resolution calling for a North-South summit. The major contents of the resolution include linking the implementation of the North Korea-U.S. framework agreement to the practical development of dialogue between North and South Korea; however, it has mostly talked about issues that should be independently put forward or carried out by us, such as establishing a North-South liaison office and founding a Joint Military Committee.

Perhaps this should not be strange to us since we have already experienced various countries making similar suggestions to us.

The government has urged the United States to put forward the S exchange of special envoys between the North and South as a precondition for the North Korea-U.S. agreement in the course of North Korea-U.S. talks. It has also demanded that the United States specify in the North Korea-U.S. agreement that the North-South dialogue should begin at the time the agreement is adopted. At last, the ROK Government has obtained its goals. Therefore, the recent move by the U.S. Congress, which will help the ROK Government's policy to take advantage of the improvement in North Korea-U.S. relations in order to assist the North-South issue, cannot be blamed. However, it cannot be considered desirable.

Furthermore, it is unreasonab?le, especially taking into consideration North Korea's negative reaction to such moves. North Korea has strongly and fiercely refused outside interference in the North-South issue, stressing the independence of the nation. However, Pyongyang has failed to show a positive attitude in independently resolving the North-South issue. Rather, Pyongyang has actively continued to block the start of North-South dialogue. As a result, North-South relations have remaine!d cool, even though changes have occurred in the international environment.

Regarding the North-South issue, the ROK Government maintains the position that "because North Korea announced it would delay the North-South summit, Pyongyang should be the first to propose holding North-South dialogue." However, North Korea's stubbornly insists: "The South Korean Government, which prevented people from visiting Pyongyang to express condolences, should apologize first." Because such logic and insistence by both North and South is trifling compared to the national tasks assigned to us, we do not feel like criticizing, for it is not worth while. However, we are concerned because other countries have discussed the North-South issue and have called upon us to do "this" or "that" in a hasty manner. It cannot be regarded as correct to depend on other countries to advance the cause of North-South dialogue and yet blame them for interfering. If North and South Korea positively cooperate to settle national division, how dare other countries interfere in our affairs!

Yi Ki-taek on Pursuing DPRK Visit Legally

SK2901070695 Seoul YONHAP in English 0700 GMT 29 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP)—Major opposition Democratic Party leader Yi Ki-taek said Sunday that he would promote his visit to North Korea "through legal and appropriate procedures."

Commenting on Pyongyang's invitation Saturday for him to visit the North, Yi added, however, that "My visit should be of substance in nature for the improvement of inter-Korean relations, including for example a talk with National Defense Committee Chairman Kim Chong-il."

He told reporters at his Pukahyon-dong residence in western Seoul: "I've no intention of excluding the administration in the process of promoting my visit to the North."

A government spokesman said earlier in the day that the government won't allow him to visit Pyongyang, saying that "inter- Korean dialogue cannot be achieved merely through North Korea visits by certain individuals, political parties and social organizations."

North Korea invited Yi to visit the North in a tatement issued by the spokesman of the (North) Korean Social Democratic Party, which is chaired by Vice Premier Kim Pyong-sik.

Group To Develop Mts. Sorak, Kumgang Planned

SK3001094395 Seoul MAEIL KYONGJE SINMUN in Korean 30 Jan 95 p 1

[Report by So Yang-won]

[FBIS Translated Text] It has been learned that the government is mapping out ways to organize a consortium of South Korean enterprises to participate in a project to develop a tourist complex linking Mt. Kumgang with Mt. Sorak, which will be jointly developed by the South and the North if South-North relations improve.

One high-ranking government official concerned stated on 29 January: "If several enterprises compete in a free-for-all manner to develop a tourist complex linking Mt. Kumgang and Mt. Sorak, it will be difficult to turn this area into the most beautiful tourist attraction in the Asian and Pacific region. There is additional concern that, on the contrary, nature might be damaged. If South-North dialogue resumes, we will actively study ways to stress to the North Korean side the need to work out a comprehensive development plan of this area."

He added: "If the development of Mt. Sorak and Mt. Kumgang is successfully realized, it will be greatly conducive to restoring the trust between the South and North through free contacts between the residents in the South and North, and also will play a big role in earning foreign exchange."

It has been learned that the government has been studying ways to work out multifaceted plans, including a plan to organize a consortium of about 10 enterprises, such as Hyundai, Lotte, Miwon, and a Unification Church-related enterprise, which have so far shown interest in the project to develop Mt. Kumgang, as one of the projects to invest in North Korea.

The North Korean side, too, has actively expressed its intention to develop the area, including working out a plan to designate the area a free trade zone.

North Soldiers Said To Develop Najin-Sonbong

SK3001113395 Seoul CHUNGANG ILBO in Korean 29 Jan 95 p 1

[Report by Choe Won-ki: "North Korea Has Decided To Send 30,000 Troops to Najin-Sonbong Economic Special Zone"]

[FBIS Translated Text] A source in Seoul reported on 29 January that North Korea will send approximately 30,000 soldiers to the Najin-Sonbong special economic zone in March or April 1995 to develop railway, road, and port facilities. The source, knowledgeable in the North Korean situation, stated: "The Committee for Promotion of External Economic Cooperation under the North Korean Administration Council made this decision on 4 December 1994. North Korea has sent People's Army troops to construction sites during speed campaigns, but North Korea's decision to send such large-scale troops, equal to the two divisions, to the areas is unprecedented."

North Korea is mobilizing People's Army troops to develop the infrastructure in the Najin-Sonbong special economic zone because the project is being carried out on Kim Il-song's behest, and the infrastructure must be developed to attract foreign capital.

In the course of North Korean-U.S. negotiations, the United States called for North-South disarmament, including rear deployment [hubang paechi] and the reduction of troops. As even the U.S. Congress recently adopted a resolution, the disarmament issue is likely to be mainly raised in the U.S. Congress, in addition to the peace agreement issue. Thus, such a move by North Korea is viewed as an attempt to gain an advantageous position in its future negotiations with the United States.

Upon completion of construction of the infrastructure, the source stated the North Korean authorities are likely to utilize the soldiers as workers or guards. Also, he stated that "Kim Chong-u, chairman of the Committee for Promotion of External Economic Cooperation, responsible for the development of Najin-Sonbong area, is positively pushing ahead with achieving the project," as his political position will be threatened if he fails to proceed with the project smoothly.

The Najin-Sonbong free trade zone is an economic special zone that the North Korean Administration Council built on a 746 square km site throughout Najin and Sonbong at the end of the eighties to attract foreign enterprises.

DPRK Reorganizes External Economic Organization

SK2901031195 Seoul SEOUL SINMUN in Korean 28 Jan 95 p 4

[FBIS Translated Text] North Korea has reportedly reorganized its external cooperation organizations under the Administration Council on the occasion of the improvement in relations with the United States. According to an as?sessment, this has been conducted under a North Korean policy that will promote the effectiveness of external economic cooperation and will lead foreign enterprises to advance into Najin and Sonbong.

According to business circles and officials in charge of North Korean affairs, North Korea has recently pushed ahead with establishing a new economic cooperation organization under the External Economic Committee (Chairman Kim Chong-u), and plans to include in the organizations under the Administration Council the Koryo National Industrial Development Association [KNIDA], which is a channel for economic cooperation between ROK enterprises and North Korea, and the General Joint Venture Company.

Officials in charge of North Korean affairs stated the function of KNIDA (Chairman Yi Song-nok) will be maintained as is; the issue of renaming it is now under discussion. Chairman Yi has positively conducted activities up to date, including meeting with RK businessmen in both Pyongyang and the PRC early this year, adding: "It is difficult to disband KNIDA because it now carries on business with Taiwan as well as the ROK."

DPRK Reportedly Building Computer Plant

SK2901024995 Seoul THE KOREA HERALD in English 29 JaJ 95 p 3

[By staff reporter Yu Chong-mo]

[FBIS Transcribed Text] North Korea has been building a large-scale computer manufacturing plant in Pyongyang.

The six-story plant, under construction on a site covering about 39,600 sq. meters near the Taedong River, is designed to produce 16- byte (AT-class) PCs, the Nation Computerization Agency (NPA) [acronym as received] said yesterday.

Pyongyang is also pushing to construct industrial facilities in an effort to make VLSI (very large scale integration) and MSI (medium scale integration) circuits.

A 8-byte (XT-class) PC is the most advanced computer being produced in the North for no.

North Korea seeks to upgrade its PC manufacturing capability to the 16-byte class with the completion of the "Pyongyang Computer Factory."

NPA, affiliated with the Ministry of Information and Communications (MIC), released an analysis on the latest trends in North Korea's information and telecom industry.

North Koreans are still at the stage of assembling parts to produce a finised computer product, the analysis said.v

Because Pyongyang has concentrated on fostering a computer software industry, it largely depends on imports for the supply of hardware.

Pyongyang plans to intensively foster electronics engineering, information technology, new materials engineering in four strategy fields.

As recently as the late 1970s, North Korea was lagging behind the South by just three to five years in the electronics fields.

But the technological gap has widened sharply in recent years, the analysis noted.

As for the widening gap, the analysis pointed out that the North had been negligent in importing advanced foreign technologies in the fields of IC [information and communications] and computers and thus failed to keep in touch with the world's technological trends.

Entering the 1980s, the North Korean authorities started to direct their attention to the computer industry.

They exerted desperate efforts to lure investment from foreign companies.

North Korean students were
et Unon and Eastern European countries to acquire advanced technologies there from 1985.

The North had introduced IC manufacturing technology, PC application technology and fiber-optic cable manufacturing technology through the UNDP [United Nations Development Program] during the 1980s.

An IC manufacturing plant was built in Pyongyang and semionductor factories were set up in Haeju and Tanchon, respectively, in 1989.

An international robot exhibition was held in Pyongyang in June 1990.

Pyongyang asked the West in 1992 to help relax the COCOM (Coordinating Committee for Export to Communist Areas) regulations imposed against it.

North Korea developed Hangul (Korean) document-editing program and a word processor five years ago.

An MS Window System-based DB [database], equipped with a graphic design function, has been used there since 1993.

The keyboard arrangements of North Korean-made P?Cs are the same as the PCs in use in the South.

Communications services are classified as three groups in the North—telecommunications (telephone and wire and wireless telegraph), postal communications (mail, parcel, and remittance) and broadcasting (TV and radio).

North Korea had expanded its telephone circuits to 2 million by 1993.

It currently maintains three satellite telephone circuits and 10 telex circuits through Intelsat after opening satellite links with Japan in November 1990.

Nevertheless, North Korea's information and telecom industries still remain widely underdeveloped, the analysis concluded.

DPRK Experts Invited to Environmental Meeting

SK2701004395 Seoul THE KOREA TIMES in English 27 Jan 95 p 2

[FBIS Transcribed Text] Rep. Kim Sang-hyon of the opposition Democratic Party revealed yesterday that he has invited two North Korean environmental experts to an international symposium set for early next month in Seoul.

"I have already sent invitations to Cho Yong-nam and Chong Chun-ki, chairmen of North Korea's two environment-related committees," Kim told reporters. But he added that he has not yet received any response from them.

"It will be very meaningful if they participate in the symposium sponsored by International Green Cross because a South-North joint preparation for the environmental question has become a big issue in the course of realizing a national reunification," Kim said.

Kim said that as he had received a permit from the government to invite the two North Koreans, he will push for contacts with them during his visit to Beijing from today until Sunday.

"It is still unclear whether Cho and Chong will come to Beijing though I asked the North Korean embassy there to organize my meeting with them," the adviser to the main opposition party said.

U.S. Deputy Secretary Talbott Departs for Japan

SK2801004595 Seoul YONHAP in English 0035 GMT 28 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 28 (YONHAP)—U.S. Deputy Secretary of State Strobe Talbott left for Japan Saturday [28 January] morning aboard a U.S. military aircraft from Osan Air Base after winding up a three-day visit to South Korea.

While in Seoul, talbott paid a courtesy call on President Kim Yong-sam and met Deputy Premier and National Unification Minister Kim Tok and Foreign Minister Kong No-myong for wide-ranging talks on the Korean peninsula and Northeast Asia.

Talbott reaffirmed the U.S. stand that a resumption of inter- Korean dialogue is essential to implementing the Washington- Pyongyang nuclear agreement reached in Geneva last October.

He emphasized Seoul's central role in the provision of light- water nuclear reactors to North Korea, saying there are no other alternatives to the South Korean standard model.

He also said that Pyongyang may understand this situation.

Talbott was accompanied by Assistant Secretary of State for East Asian-Pacific Affairs Winston Lord and senior officials from the Defense Department and White House.

U.S. 'Ready To Resume' Trade Pressure on South

SK2601015095 Seoul YONHAP in English 0039 GMT 26 Jan 95

[FBIS Transcribed Text] Washington, Jan. 26 (YONHAP)—The United States stands ready to resume pressure on South Korea over bilateral trade, particularly in the automobile sector, when Foreign Minister Kong No-myong visits Washington early next month.

U.S. trade officials have said that, despite a working-level trade meeting last week in Washington, there was little progress in the sectors of greatest American interest—autos, beef and medical equipment.

The officials said the Clinton administration will thus urge the South Korean Foreign Minister to show more concern about resolving pending trade issues.

They reminded that the United States and Japan are scheduled to resume talks on automobiles in Washington this week, emphasizing that American pressure on South Korea will inevitably intensify in this sector.

Just recently, they continued, U.S. Trade Representative Mickey Kantor must have taken issue with the auto market in South Korea while meeting the chairmen of the big three U.S. carmakers to discuss the problem of Japan.

In data released to the press last Friday, the South Korean Embassy in Washington indicated that no substantial progress had been made in the recent Seoul-Washington working-level talks.

These working-level trade talks will resume in March, the U.S. officials disclosed.

Foreign Luxury Car Sales 'Expected To Increase'

SK2901022095 Seoul THE KOREA TIMES in English 29 Jan 95 p 8

[FBIS Transcribed Text] Sales of foreign luxury cars are expected to increase rapidly this year as tariff and non-tariff barriers have been drastically eased.

Tariffs on foreign cars have been slashed from 10 percent to 8 percent and acquisition tax on those priced at 70 million won or more a unit was down from 15 percent to 2 percent.

Foreign car dealers have been allowed to open showrooms without restriction from the past maximum number of 20 and the number of check lists for inspection has been cut from 38 to 10 in customs clearance procedure.

In this favorable environment, foreign car agents have doubled their sales goal this year and a few even set a goal of 300-400 percent more than last year's sales.

As a result, the sales of foreign cars are expected to reach the 8,000 mark this year, more than double the 3,866 units posted last year.

A foreign car dealer even forecasts that sales of foreign cars will exceed the 10,000 mark.

Hansong Motor Co., dealer of German Mercedes-Benz, has set a sales goal of 1,200 units, a 137 percent increase over the 506 cars sold last year. Usong Department Store, agents for Chrysler of the United States, has set a goal at 2,000, nearly triple 1994's total of 683 units.

The Hyosong Corp., dealer of Audis and Volkswagens from Germany, plans to sell 500 cars, more than double the 191 units sold last year.

Inchcape Korea, a marketing and distribution branch of British dealer Inchcape Motors, has set its sales goal at 600, a sharp increase from the 134 units sold last year. The company handles Rolls-Royces, Landrovers, Jaguars, General Motors (GM) Cadillacs, GM Park Avenues, GM Grand Ams and GM Jeep Trackers.

Hanjin Engineering and Construction Co., selling Volvos from Sweden, has increased its sales goal 34 percent#to 700 and Kolon International Corp., sales agents for BMWs from Germany, has set a goal for 500, an increase of 132 percent. A Kolon official said that it has sold 11 cars this month compared to two or three sold during January of 1994.

Tongbu Corp. plans to increase sales of Peugeots 56 percent to 400, Kia Motors Corp., general agents for Ford's Mercury Sables, has increased its sales goal by 100 units to 1,200 this year.

To attain the goal, foreign car dealers have been active in sales promotion, including increase of the number of sales shops. Hansong plans to have one shop in each province and add one more show room in existing shops. Hansong sold 120 Mercedes-Benzes this month, an explosive increase compared to the total sales of 500 cars in 1994.

Tongbu Corp. also plans to open five shops this year—three in Seoul and one each in Pusan and Kangwon-to.

Exporters: Won Value Too High for Competitiveness

SK2901021995 Seoul THE KOREA HERALD in English 29 Jan 95 p 8

[FBIS Transcribed Text] Korean exporters regard the Korean won as valued too high to maintain competitiveness and an appropriate level of profits in their world markets, according to a recent survey.

Tire makers proposed an average of 806 won for one U.S. dollar as an appropriate exchange rate for their overseas marketing, according to the survey conducted by the Korea Foreign Trade Association (KFTA).

It was the highest won-dollar rate among those proposed by different groups of exporters. The lowest was an average of 790 won for one dollar suggested by automakers and auto parts producers, compared with Friday's basic exchange rate of 785.3 won for one dollar.

The KFTA said yesterday that 153 of the 500 surveyed exporting corporations in 12 industrial groups responded to its questionnaire.

Despite their demand that the won's value be lowered, the Korean currency is expected to gain much in the months ahead.

The government has repeatedly sent a signal to the foreign exchange market that it will not intervene to lower the value of won though an anticipated surplus in the nation's balance of payments is expected to firm it up.

By export market, the respondents suggested an average of 803.2 won for one dollar in China, 798.6 won in the European Union [EU], 798.4 won in the United States, 795.1 won in Japan and 798 won in Latin America.

They said they will have little difficulty in competing against Chinese rivals in third markets at an average rate of 803.2 won for one dollar, against newly industrializing countries at 800.8 won, the United States at 800 won, Japan at 795.6 won and against those from the European Union at 794.

Korean exporters expect that they will be able to compete against their Japanese and EU rivals at the relatively low exchange rates as the Japanese yen and German mark have gained much against the dollar, the KFTA said.

The KFTA said the exporters expect the won's value will have increased to an average of 774.5 won for one dollar by the end of this year.

PRC Official on Korean Autonomous Prefectures

SK2701093995 Seoul CHUNGANG ILBO in Korean 27 Jan 95 p 2

[By correspondent Mun Il-hyon from Beijing]

[FBIS Translated Text] It has been learned that judging that some ROK organizations and tourists are tacitly carrying out activities to separate and recognize the Koreans' independence from the three provinces in China's northeastern region where the Korean Autonomous Prefectures are located, China revealed that it will take stern measures regarding this matter from the state security level.

This was revealed by a remark of a high-ranking official of the public security authority written in an internal publication document entitled "Racial and Religious Problems Under the New Situation," published by the CPC United Front Department and the Central Party School.

In a seminar with high-ranking party leaders including Li Ruihuan, standing committee member of the Political Bureau; and those responsible for 16 provinces, cities, and autonomous prefectures, last year, Tian Qiyu, vice minister of Public Security, called upon the name of the ROK in detail and pointed out that ROK organizations are instilling the separation and independence of the Korean Autonomous Prefectures, currently one of the main racial problems in China.

He strongly criticized: "Through various ways, some ROK organizations and tourists are scheming to carry out activities to separate from the state the region where the Korean Autonomous Prefectures are located."

Foreign Minister Meets With Canadian Counterpart

SK2601064395 Seoul YONHAP in English 0623 GMT 26 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP)—Foreign Minister Kong No-myong met Thursday with Canadian Secretary of State for Asia-Pacific Affairs Raymond Chan to request that Canada help draw North Korea out of its current isolation to ease tensions on the Korean peninsula.

Kong also asked Ottawa to support Seoul's bids to join the United Nations Security Council (UNSC) as a non-permanent member for 1996-97 and to have former Trade Minister Kim Chol-su selected as the first chief of the World Trade Organization (WTO), according to a ministry spokesman.

Moreover, Kong and Chan discussed expanding their countries' "special economic partnership" to other fields in order to forge more comprehensive bilateral relations, the spokesman said.

Lauding the solid bilateral ties in trade and other areas since the special partnership was established, Chan said his government will join in international efforts to help implement the framework agreement on the North's nuclear program.

Noting that the Canadian Government is keen to increase economic relations and boost trade with South Korea and other Asia-Pacific countries, Chan expressed interest in joint economic projects in third countries, the spokesman said.

President Tours Kwangju, South Cholla Province

SK2701053895 Seoul YONHAP in English 0436 GMT 27 Jan 95

[FBIS Transcribed Text] Kwangju, South Korea, Jan. 27 (YONHAP)—On the second leg of his New Year's provincial tour, President Kim Yong-sam visited Kwangju Friday morning and was briefed by city Mayor Kang Un-tae and South Cholla Provincial Governor Cho Kyu-ha.

Earlier in the morning, the president was to have paid homage to the victims of the Kwangju uprising of May 18, 1980, at the Mangwol-tong cemetery. The plan was thwarted, however, as the Kwangju and South Cholla Provincial Federation of Student Councils declared their intention to block it.

Chongwadae [presidential offices] officials expressed regret, noting that Kwangju residents and most organizations related to the May uprising wanted the president to visit the cemetery.

Following the briefings, the chief executive called on local authorities to strive to attract high-tech industries and research institutes. The government plans to develop Kwangju into a high-tech science city.

Endorsing the southern coast development formula linking Mokpo and Pusan, Kim said it is a significant part of globalization in the coming pan-Pacific era.

"Development of the Mangwol-tong cemetery into a sanctuary and the Sangmu satellite town program are projects enhancing the spirit of the May 18 Kwangju uprising and the construction of a new Kwangju city," Kim said.

He also urged the Kwangju Municipal and South Cholla Provincial governments to expedite deregulation, foster labor-management harmony and improve administrative services with a view to providing the best possible investment conditions.

The briefing session was followed by a lunch attended by 250 people from Kwangju and South Cholla Province including lawyer Hong Nam-sun.

Activists Protest Kim's Receiving Peace Prize

SK2601063995 Seoul HANGYORE SINMUN in Korean 26 Jan 95 p 22

[Report by Pak Pyong-su]

[FBIS Translated Text] Mrs. Scott King (68), wife of the late Reverend Martin Luther King, the founder of the U.S. King Center, arrived at Kimpo Airport on the afternoon of 25 January by Korean Air.

Mrs. King will visit Chongwadae [presidential offices] on 26 January to award the "Martin Luther King nonviolence peace prize" to President Kim Yong-sam.

Meanwhile, to protest the King Center's selection of President Kim as the candidate for the peace prize, 20-odd members of the ROK Council of Human Rights Organizations staged a rally in front of Kimpo Airport with pickets reading: "What President Kim should receive is not the peace prize, but the prize for repression of human rights."

Kim Yong-sam Plans Lunar Holidays Outside Seoul

SK2801030495 Seoul YONHAP in English 0247 GMT 28 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 28 (YONHAP)—President Kim Yong-sam will spend the four-day Lunar New Year holidays away from Chongwadae [presidential offices] and Seoul.

He presided over a meeting of senior secretaries and instructed them to take precautions against accidents during the holidays Saturday [28 January] morning and then left Chongwadae, accompanied by first lady Son Myong-sun, for his Lunar New Year vacation.

His plans are the object of public attention in view of the political developments that await him after the holidays, such as the Feb. 7 national convention of the ruling Democratic Liberal Party (DLP), former Chairman Kim Chong-pil's move to bolt the DLP to form a new party in February and local elections in June.

The president has thus far kept mum on the DLP national convention and Kim Chong-pil's maneuvering.

He failed to mention either of these two matters during a dinner he hosted for DLP lawmakers and district chapter heads at Chongwadae Friday evening.

President Kim usually clams up when a major political issue arises and his silence often indicates that he is engrossed in finding a solution. Consequently, he is expected to focus on dealing with the DLP's problems over the holidays.

During the Lunar New Year holidays last year, Kim, accompanied by the first lady and his sons, daughters-in-law and grandchildren, visited his hometown on Koje Island to pay homage at the graves of his mother and grandparents and offer New Year greetings to his father, Kim Hong-cho, at his home.

This year, however, he won't go down to his hometown because he already met his father at Chongwadae Friday.

Considering that any hometown visit by the president requires the mobilization of many security people, including policemen, and engages the locals in preparing for the visit, his father decided to come to Chongwadae to exchange New Year greetings Friday.

Chief Presidential Secretary Han Sung-su and other secretaries will work in shifts during the four-day Lunar New Year holidays, while putting the emergency liaison network on alert.

Han will remain in Seoul during the holidays, while other senior secretaries who are not leaving the capital have already formed teams working in shifts at Chongwadae during the president's absence.

Ruling Party Decides To Reconsider Name Change

SK2601130395 Seoul YONHAP in English 1139 GMT 26 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP)—The ruling Democratic Liberal Party on Thursday decided to reconsider the plan to change the party name into "Unification Korea Party (Tong-il Hankuk-dang)" at a party convention on Feb. 7.

A party source said that as a result, the ruling party may retain its existing name, Democratic Liberal Party.

The source said that at a convention preparatory meeting, many party officials expressed skepticism over the plan to change the party name.

Some officials contended that party name shouldn't always be in accord with the party intent of globalization, and some others pointed out problems related to using the country name, "Hankuk," in the name of a party.

Besides, a recent poll showed that 60 percent of pollees said they were opposed to changing the name of a party which won in the last presidential election, the source added.

Kim Chong-pil, Pak Chun-kyu Discuss Followers

SK2801002895 Seoul YONHAP in English 0011 GMT 28 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 28 (YONHAP)—Former Ruling Party Chairman Kim Chong-pil reportedly conferred with ex-National Assembly Speaker Pak

Chun-kyu for two hours at a Seoul restaurant Friday [27 January] evening.

The two politicians mainly discussed how to rally their followers in Chungchong and Taegu-North Kyongsang Provinces, respectively, for political purposes, according to sources.

An associate of Kim said: "I understand that the two exchanged views on the issue of creating a new political party advocating a cabinet system and agreed to cooperative with each other.

"Contact has already been made with former House Speaker Yi Man-sop as well as Pak Chun-kyu. Solidarity between the two regions of Chungchong and North Kyongsang Provinces and Taegu is being discussed."

The get-together is thought to be part of an attempt to forge office holders of the former military regimes and politicians alienated from the current ruling camp into a conservative and rightist party.

In a related development, Kim Chong-pil, apparently referring to President Kim Yong-sam, said Friday that "this country is of 43 million people, not of one person. In the future, it will be a country of 70 million people. I'll go my own way."

Kim told his associates at his Chonggu-tong residence, "We want to rally forces and achieve something for the country." He praised his followers in the ruling party, saying that "you did well today by speaking out about what should be said."

Attending the gathering were Reps. Chong Sok-mo, Ku Cha-chun, Kim Tong-kun and Cho Pu-yong and former lawmakers Kim Yong-chae, Chong Chong-taek, Kim Mun-won and Kim Kyong-u.

Kim Chong-pil's New Political Association Viewed

SK2801040395 Seoul YONHAP in English 0306 GMT 28 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 28 (YONHAP)—The outline of the political association reportedly eyed by former ruling party chairman Kim Chong-pil is being charted in two directions.

The first takes the form of an alliance between the two provinces of Chungchong, his home base, and Taegu city-North Kyongsang.

The second form is built on solidarity among conservatives alienated by the ruling Democratic Liberal Party's [DLP] drive for reform.

Supporting the outline's existence was a meeting Friday [27 January] night between Kim Chong-pil and former National Assembly Speaker Pak Chun-kyu, considered the main political figure hailing from the "TK" (Taegu-North Kyongsang Province).

During their get-together, they reportedly agreed to pursue a new political association advocating a parliamentary cabinet system while rallying conservative forces.

Kim said after the meeting that he would go his own way, asserting "this country does not belong to an individual person."

His remark is seen not only as criticizing President Kim Yong- sam's style of governing, but also as emphasizing the urgent need for a cabinet system. This in turn signifies the imminent creation of a new party.

Pak also admitted his affinity for a cabinet system, saying that "we must liquidate such politics as who will become the president."

Unconfirmed reports have it that Pak has been looking to spreading his political influence in his home base of "TK" while meeting DLP lawmakers Kim Pok-tong and Yu Su-ho, former legislators Pak Chol-on, O Han-ku and Kim Kun-tae. Even Rep. Chong Ho-yong, a soldier-turned-politician, is classified as a "fellow traveler."

In a related development, Kim Chong-pil has had several contacts with former National Assembly Speaker Yi Man-sop, who is also an influential figure from the "TK" region.

Most of those contacted by Kim Chong-pil and Pak Chun-kyu have been pushed aside in the incumbent government's reform drive or are deemed "objects" to be cleared out of the future political arena, DLP officials explain.

The two major figures, many Koreans believe, have spun around the source of power ever since Pak Chong-hui's military coup d'etat in May 1961.

Political observers predict that given their careers, neither Kim nor Pak would come to the fore of their new political party in order to fend off any public criticism.

During his latest trip to the United States, Kim said he would see to it that his "juniors" remained in the political foreground while he stayed one step behind.

Just recently, Pak also said he was willing to help young people in their 30s and 40s lead the country in the future.

Kim's close aides reveal that he will leave the DLP after its Feb. 7 national convention, instead of beforehand, then launch the new party sometime before the June local elections.

Sin Hyon-hwak Not To Take Part in New Party

SK2901094195 Seoul YONHAP in English 0839 GMT 29 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP)—Former Prime Minister Sin Hyon-hwak made it clear Sunday that he won't take part in the new political party being promoted by ex-ruling Democratic Liberal Party (DLP) Chairman Kim Chong-pil.

The godfather of Taegu and North Kyongsang Province, Sin told reporters: "A long time has elapsed since I quit politics. I've no intention to do or participate in politics. Kim's creation of a new party is not a matter for me to agree or not to."

The elder statesman made the remarks in the wake of his one- hour-and-a-half meeting with Kim Chong-pil Saturday at the Hyatt Hotel in Seoul, at which the latter reportedly asked the former to take part in his new party.

Kim's get-together with Sin followed his talk with former National Assembly Speaker Pak Chun-kyu the previous day, confirming his intent of forging a new party primarily with people from Taegu and North Kyongsang Province as well as his hometown Chungchong Province.

The Kim-Sin meeting was arranged by Pak Chun-kyu and Rep. Kim Pok-tong of the splinter New People's Party, both Sin's Kyongbuk high school alumni, according to sources.

Sin reportedly met with Rep. Kim Pok-tong Thursday noon and with Pak Friday noon.

Now that the DLP has completed its preparations for the national party convention, Kim Chong-pil and his associates plan soon to form a new party inauguration preparatory committee, designating Pak Chun-kyu as preparatory committee chairman and former vice premier Choe Kak-kyu as secretary general.

Kim earlier planned to undertake two steps for party formation: Secession from the DLP and inauguration of a new party.

As the government party has decided to keep the party name unchanged, however, Kim and his followers now intend to announce a declaration forming a new party, tentatively called "Liberal Democratic Alliance," late February or early March.

The projected new party will advocate political stability, politics centered on the middle class, and a constitutional amendment designed to introduce a cabinet system, a close associate of Kim said.

Seoul Reviews Public Use of Military Manpower

SK3001080595 Seoul KYONGHYANG SINMUN in Korean 30 Jan 95 p 2

[Report by Ho Won-sun]

[FBIS Translated Text] The government is reviewing a plan to utilize military manpower in various societal sectors during peacetime. On 29 January, a relevant high-ranking government official stated: "An opinion has been raised within the government that utilization of excellent military manpower, except those in frontline units, during peacetime will be helpful to enhance the nation's competitive power. As a result, the government is reviewing appropriate measures."

The official also pointed out: "If the professional technics and superior manpower of the military are utilized for society, various military-related incidents and accidents, which have recently occurred in succession, can be prevented. In addition, utilization of military manpower for society will also help individual soldiers foster the capability of adapting themselves to society." The domains in which the government is reviewing for the early utilization of military manpower, including officers, noncommissioned officers and enlisted men in active duty are supporting railway and subway operation; cleaning and dredging of reservoirs to overcome drought; guarding the environment to protect nature, and participating in construction of facilities of social overhead capital.

In particular, as the railway workers strike last year dealt a hard blow to the nation's transportation sector and that the possibility of a strike this year cannot be overruled, the government is studying a plan to deploy noncommissioned officers with licenses immediately after a strike begins.

Government Planning Review of Population Policy

SK2901013095 Seoul THE KOREA TIMES in English 29 Jan 95 p 1

[By staff reporter Sin Hak-im]

[FBIS Transcribed Text] The government is planning a full- scale review of its population policy, signaling a shift from the tight control of the birth rate which has been the feature of Korean family planning for the past three decades.

To that end, the government will form a "population policy deliberation committee" comprising scholars, experts from various civic and reearch organizations, and officials of related government agencies to work out an action program for the 21st century, Health-Welfare Minister So Sang-mok said in an interview with THE KOREA TIMES yesterday.

He said, "The new population policy, aiming at improving the 'quality' of the population rather than controlling population growth, will be worked out on the basis of future needs, recognizing the economic and social development achieved so far."

Explaining that decisions on population are closely connected with those on economic, educational and labor policies, So went on, "It is no exaggeration to say that the success of the globalization now being pushed for by the government will depend upon our population policy."

His remarks were taken as a virtual declaration that the government intends to end its tight control of the birth rate, a policy which has successfully halved population growth in the last 10 years.

The government's policy shift comes as demographic ?xperts expect the population to stabilize at about 50 million in 2021, assuming the current trend to a decreasing birth rate continues.

Thanks to the success of the family planning program, the population growth rate fell from 3 percent in the early 1960s to 1.67 percent in 1980 and to 0.94 percent last year, according to the ministry.

Against this backdrop, experts at a government-funded institute on population forecast that the population will decrease after 2021.

Minister So said, "The population policy needs to be worked out and reviewed at intervals of at least 30 years. Now is the time for the government to review its population policy and particularly the focus on tight birth control."

He said, "In fact, a change has been taking place in the government's policy on population. The government no longer stages campaigns for birth control with 'one-child-one-family' slogan."

"However, I do not mean that the government is about to start a 'let's have more babies' campaign right now," he said.

For "quality control" of the population, he said that the government feels there is an urgent need to take measures to help stabilize the worsening sex imbalance in childbirths caused by preference for males and abortion or illegal birth regulation.

The male-female ratio in newborns is 117 to 100 and the sex imbalance is expected to worsen in the coming years. If the current trend continues, the sex imbalance will become a serious social problem some 25 years from now, when infants reach the age of marriage, he said.

He then quoted a scholar saying that if the sex imbalance ratio exceeds 120 males to 100 females, riots may take place because of a shortage of females for marriage.

Minister So said that the ministry will reinforce crackdowns on abortions and other illegal practices at hospitals.

Burma

Split Reported in Karen Rebel Organization

BK2901085495 Rangoon Radio Myanmar in Burmese 1330 GMT 28 Jan 95

[FBIS Translated Text] About 4,000-strong armed personnel from the KNU [Karen National Union]—the Karen armed organization from the jungle which has been engaged in clandestine activities along the border [with Thailand] in Karen State—who do not wish to accept the leadership of Bo Mya [KNU leader], have broken away and have formed the Democratic Karen Buddhist Organization, DKBO, on 21 December 1994. After the formation of the organization, DKBO family members from various KNU-controlled camps from the country on the other side [Thailand], Karen Buddhist families, and Karen families taking refuge in the country on the other side have returned in groups back to our country to Myainggyingu Village. Altogether, 3,060 persons—1,496 males and 1,564 females—from 647 households have returned so far.

It has been learned that local people from the villages and towns which the group passed by warmly welcomed them and presented them with food and clothing. They were systematically resettled in Myainggyingu by the DKBO members and the local people.

Impact of Manerplaw Fall on KNU Examined

Bo Mya Vows Guerrilla Warfare

BK3001042595 Oslo Democratic Voice of Burma in Burmese 1430 GMT 28 Jan 95

[Interview with General Saw Bo Mya, chairman of the Karen National Union, by Ko Nyein Wai, correspondent from the Democratic Voice of Burma on 27 January; place not given—recorded]

[FBIS Translated Text] [Wai] Dear listeners: Beginning 19 January 1995, about 10,000-strong SLORC [State Law and Order Restoration Council] troops have fiercely attacked the Manerplaw camp—the headquarters of the revolutionary forces. In reality, this assault began during December 1994 and the SLORC forces managed to cross the Salween River on 20 January 1995. Regarding this SLORC assault, I met General Saw Bo Mya, chairman of the Karen National Union [KNU], at 1000 on 27 January 1995, and when I inquired about the latest situation at Manerplaw, he replied:

[Mya] The SLORC forces have used a lot of heavy artillery in their assault against Manerplaw. Moreover, our traitorous splinter group [the Democratic Karen Buddhist Organization—DKBO], who are SLORC's followers, showed them [the SLORC forces] the way in for their assault. Regarding the latest situation, since they are utilizing lots of weapons and attacking us with heavy artillery, we have retreated from Manerplaw.

[Wai] Next, I inquired about the situation of the various other remaining revolutionary forces at the time of the retreat from Manerplaw headquarters, about which he said:

[Mya] Manerplaw is the headquarters of our Karen revolution, the NCGUB [National Coalition Government of the Union of Burma], the NDF [National Democratic Front], and other various fronts. As far as we know, other allies are very upset by the enemy's unfair attack on Manerplaw. We have other allies who are unsatisfied with the SLORC. The Kachin Independence Organization [KIO] have issued a statement citing that the SLORC's attack on Manerplaw has destroyed the peace and if the SLORC continue their assault, they [the KIO] will have to part with them [the SLORC]; they noted that other organizations share the same view.

[Wai] Dear listeners, with the KNU being fiercely attacked militarily by the SLORC like this, I asked what the KNU's position would be regarding any conditions for holding peace talks with the SLORC. He replied as follows;

[Mya] Currently, we would like to obtain internal peace, but we all know that the SLORC does not want to make internal peace. When they said they wanted to make peace, we welcomed the peace initiative. Next, we informed them that we would meet them as the DAB [Democratic Alliance of Burma], but they refused to meet us as the DAB and replied they would only hold talks with individual organizations. We have also learned that some other organizations met with them. We, the KNU, have replied that we will meet with SLORC only as a front and the enemy does not agree to that. The KNU has decided to meet only as an alliance. However, if we have to hold peace talks with the SLORC, we do not want temporary peace; we want everlasting peace. Accordingly, we informed them that we would like to have everlasting peace, that is, an end to the Karen-Burmese conflict and the prevention of any recurrence in the future. However, as far as we know, the enemy does not want everlasting peace; they just want a temporary peace. If they really want to pursue eternal peace, they must hold political talks after the cease-fire. We firmly believe that there will be a full guarantee for eternal peace only after political discussions, but they do not seem to like that. They wanted only temporary peace and implemented a cease-fire without a guarantee. That is why they repeatedly postponed the date. When we finally requested the Bangkok embassy to fix the date for the meeting, the military attache in Bangkok answered us that they would be able to meet at the [Burmese] embassy in Bangkok. That is why we started (?preparing the objectives and proposals); however, after reviewing the proposals, they said it was not feasible and that it was unacceptable to the leaders in Rangoon, so they again postponed the date and did not do as they said. Later, they said they would meet us in Rangoon, so we decided to see them in Rangoon, and we had already selected representatives. When we were to meet with them in

Rangoon they then said: please do not desire to meet in Rangoon because the people are not in agreement and there are lots of foreigners [in Rangoon]. Because the proposed meeting was widely known, they objected to meeting in Rangoon and named Moulmein [the Mon State capital in Southeastern Burma] as a venue instead. The repeated postponements are due to the elements opposed to achieving internal peace. Moreover, because they cannot beat us militarily and politically, they tried to strike at us by using religion. They patronized and encouraged the Myainggyingu abbot and tried to oppose us, that is, they greatly encouraged the abbot, supplying him with everything—money, weapons, food, and supplies. At this time, SLORC army officers began to be seen regularly at the Myainggyingu monastery. Furthermore, this DKBO was formed personally by Lieutenant General Maung Hla [the military appointments general and chief of the forward military operations special control command], and all these are the doings of the SLORC. Why did SLORC do all these things? The answer is that they do not want internal peace in Burma. They also did them because they do not want to give any rights to the indigenous national races. They started this operation because they solely wanted to reign, control, and bully Burma by themselves. This matter has got nothing to do with the Buddhist-Christian conflict. We know that these are all the SLORC's plans.

[Wai] When I finally asked Chairman Gen. Mya what the KNU's plans are after the SLORC forces' attempt to use military force to find a solution, he said:

[Mya] The KNU, after almost 50 years of revolution, will never give up the revolution. The revolution will not die because of the fall of Manerplaw and we pledge to continue the revolution; we will continue until we are victorious. We can still work; we still have the potential to work and fight guerrilla warfare. We will begin operating an extensive and effective guerrilla warfare. So there are no grounds for thinking the fall of Manerplaw will affect our revolution.

Editorial: 'Severe Blow'

BK3001032295 Bangkok THE SUNDAY NATION in English 29 Jan 95 p A4

[Editorial: "SLORC Now Intent on Snubbing the World"]

[FBIS Transcribed Text] Manerplaw, the jungle headquarters of the Burmese opposition movement, lies in ashes today after being torched by its last Karen defenders as they fled advancing Slorc [State Law and Order Restoration Council] troops.

But while Manerplaw may be no more, the Karens are vowing to continue their guerrilla war against Rangoon, much as they have for the last 47 years. Leader Gen Bo Mya, vowing "the Karen revolution will never die", ordered his men into the jungles to begin a guerrilla campaign.

But the loss of the camp, a sprawling river-bank settlement that was home to the Karen National Union and a host of dissident student and political groups, is nevertheless a severe blow to the anti-Slorc cause.

It represents one of the biggest military setbacks suffered by the Karen since they began their fight for greater autonomy in 1948. The ease with which the Burmese military was able to route Karen defenders is doubly damaging because with 6,000 men under arms the KNU [Karen National Union] is the largest and strongest of the three ethnic groups holding out against Rangoon.

The fall of Manerplaw has also thrown into question the future of the opposition alliance, including pro-democracy student fighters and members of detained dissident Aung San Suu Kyi's National League for Democracy who were based at the site. Dissidents conceded that without a central base from which to direct their opposition activities it would be difficult to keep the alliance together.

But Slorc has not managed to escape from the battle unscathed either. Among the ruins at the at the Manerplaw site lay the last remnants of its argument that it had a genuine interest in finding a peaceful solution to the country's political and ethnic crises.

Rangoon claimed the base had been taken over by a break-away Buddhist faction of the Karen group, with support from Burmese troops. While Karen defectors may have held the ultimate key to Manerplaw's downfall, it was Burmese generals who led the offensive and Burmese heavy artillery that laid the foundation for the attack with three days of intensive bombardments.

Evidence has also emerged that Rangoon played an active role in fomenting the seeds of dissent that resulted in a critical mutiny by 500 Buddhist troops against the army's Christian leadership last month.

Rangoon unilaterally declared a ceasefire with the KNU three years ago to create conditions it said would be conducive for negotiations. A dozen or so ethnic minority insurgencies have since laid down their arms in exchange for development aid but the Karens along with Mons and Shans held out because of Rangoon's refusal to discuss political demands.

Rangoon's decision to end the ceasefire came without warning and marks a regression to a more hardline stand.

Two weeks ago, junta leaders told Thai foreign minister Thaksin Chinnawat they would not release detained opposition leader Aung San Suu Kyi until a new constitution is enacted, a process that could take at least three years. The generals have even abandoned the pretence of trying to find a legal reason to detain the hugely popular dissident. Under Slorc's own laws Suu Kyi's terms of possible detention expired on Jan 10 and yet she remains unlawfully imprisoned with no hope of freedom unless she agrees to leave the country.

The talks Slorc leaders held with Suu Kyi last year now appear to have been nothing more than a cynical attempt by the junta to burnish its appalling international image.

Encouraged by the embrace they have received from Asean, the modest interest shown by foreign investors and secure in their support from China, the Burmese junta now seems intent at snubbing the world and its concerns over its brutal human rights record.

But Rangoon's thinking is flawed and will only lead to more strife and suffering in Burma. Opposition to its rule can't be crushed because it springs from the very illegitimacy of Slorc's rule. The future is bleak: Guerrilla campaigns will simmer in the countryside, university campuses will continue to erupt in periodic revolt, ethnic troubles sparked by the growing Chinese hold over business will increase and with the exception of Southeast Asia and China, Burma will continue to remain a pariah state.

The only answer to Burma's problems is serious negotiation. Both Aung San Suu Kyi and the Karens continue to say they are ready to engage in meaningful dialogue with Slorc but their entreaties have only been met with insincerity and derision.

At next month's sitting of the United Nations Human Rights Committee in Geneva, Burma's rights record will once again come up for debate. The world community must make it clear through words and action that the Slorc's behaviour is unacceptable.

Asean's and Thailand's roles as middlemen will be crucial if there is to be any movement in Rangoon. Bangkok is fond of saying Burma's problems are an internal affair, but who will now shoulder the responsibility of taking care of the current 10,000 refugees Slorc has sent spilling over on to Thai soil?

Troops Press Advantage Against Karen Bases

BK3001025595 Bangkok THE NATION in English 30 Jan 95 p A5

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] After a major victory which drove the Karen guerrillas from their headquarters at Manerplaw, the Burmese army now appears determined to smash other Karen strongholds in southern Burma, opposite Thailand's Tak and Kanchanaburi provinces.

While leaders of the Karen National Union (KNU) were still regrouping after the Friday-night loss of Manerplaw, which is opposite Thailand's Ta Song Yang district of Tak, Burmese troops launched a fresh assault on Saturday morning against a KNU frontline outpost in Kamawlaw, opposite Bong Ti Pass in Sai Yok district of Kanchanaburi.

A senior KNU official said last night the Burmese ground assault around Kamawlaw (Hsinpyutaung in Burmese) in the Tavoy-Mergui area was continuing.

The Burmese began their assault at 10 am on Saturday and had burn down a KNU outpost, according to the KNU official.

Thai officials confirmed about 100 Burmese troops had attacked the KNU outpost, but said they had withdrawn after burning it down.

They said the fighting involved the 10th Battalion of the KNU 4th Brigade and was occurring close to the proposed route of a planned underground gas pipeline from the Gulf of Martaban to Thailand.

The fighting on Saturday caused about 800 Karen to take refuge in Thailand, according to Thai and Karen officials.

While Karen officials believed the Burmese offensive against areas held by their 4th Brigade in Tavoy and Mergui districts was an attempt to prevent the KNU from establishing a new headquarters in the south, Thai officials said the attacks were more likely a test of the KNU 4th Brigade's strength and preparedness.

Thai officials said they had not noticed any signs of a major Burmese military build up in the area.

In Mae Sot district of Tak, Thai border officials said Burmese troops were still firing heavy mortars at the Karen stronghold of Kawmura around the clock. They said about 100 rounds were being fired daily. Some had fallen across the Moei River on Thai soil.

The Thai Army had strengthened its presence in the area, moving in mortars and artillery, in case the fighting spilled over the border, they said. Thai troops had on Saturday fired a few smoke shells to warn away the Burmese.

Meanwhile, the exiled Burmese opposition and student movements have jointly condemned the Burmese offensive against Manerplaw on the west bank of the Moei River, which also served as their base for an international campaign against the Burmese junta, or State Law and Order Restoration Council (Slorc).

They have pledged their continued support for the 46-year-old KNU, which is one of the world's oldest guerrilla movements, and said the Burmese victory over Manerplaw "should not be regarded as a final victory for the Slorc, but rather just a temporary military win over".

" We acknowledge and honour the efforts of the KNU in defending Manerplaw... We all stand united with the KNU to resist other Slorc military offensives," four opposition movements said in a joint statement released over the weekend. The four groups are the Democratic Alliance of Burma, the National Democratic Front, the National League for Democracy in Liberated Areas, and the exiled parallel government, the National Coalition Government of the Union of Burma, which was formed by Dr Sein Win, a cousin of detained political leader Aung San Suu Kyi.

In a separate statement released yesterday, the All Burma Students' Democratic Front [ABSDF] condemned Slorc for its violent actions and urged the international community to extend humanitarian assistance to the thousands of Karen refugees who had fled into Thailand since the Burmese assaults began.

"The ABSDF strongly denounces Slorc's ruthless offensive against Manerplaw as it convinced and reflected their sham peace offer. The ABSDF reaffirms our commitment to fight hand in hand with our alliance, the KNU, until the restoration of democracy and achievement of the right of self-determination for the entire ethnic people of Burma," it said.

The Burmese offensive against Manerplaw has driven thousands of refugees into Thailand. Private relief agencies said they were prepared to cope with up to 10,000 refugees, but could provide emergency humanitarian assistance for only "a short term".

Brunei, Malaysia & Singapore

Malaysia

Bosnian Peacekeepers To Receive Guided Missiles

BK3001033095 Kuala Lumpur BERITA HARIAN in Malay 28 Jan 95 p 11

[By Fazil Abdullah]

[FBIS Translated Excerpt] Pekan, 27 Jan—The Malaysian battalion (Malbatt) now serving in the Balkan states will be equipped with anti-tank medium-range guided missiles in the near future.

Defense Minister Datuk Sri Najib Tun Razak said his ministry had identified the supplier of the guided missiles and the purchase contract will be signed as soon as possible.

He said that the contract for the purchase of short-range missiles to be used by the Malbatt in the Balkan states had been signed recently.

"The medium- and short-range missiles will provide better protection to the Malbatt peacekeepers in Bosnia-Herzegovina and improve their fighting capability when facing a situation that threatens their safety.

"The medium-range missiles will be dispatched to the Malaysian peacekeepers in a few months after tests have been carried out," he said to journalists after launching the district-level Community Brigade at the Datuk Syahbandar Chini Hall near here today.

Najib said that the Malaysian Armed Forces (ATM) had planned to acquire such guided missiles in accordance with developments in defense technology. In the beginning, the equipment will be supplied to the Malbatt.

"At present, the ATM only possesses the Carl Gustav 84-millimeter model light guided missiles. The ATM will be more advanced in its defense technology with the purchase of the medium-range guided missiles," he said. [passage omitted]

Responding to questions from journalists, he said that the UN will decide soon on the time for dispatching additional Malaysian troops to Bosnia. Malaysia is expected to increase its peacekeeping force from 1,633 to 3,000 men.

"Whether or not the additional troops are sent, the guided missiles will definitely be dispatched to our peacekeepers in Bosnia," he said.

Commenting on the appointment of Britain's General Rupert Smith as the new commander of the 23,000 UN peacekeeping troops in Bosnia, Najib said Malaysia hoped that the new leadership could take firm action against any violations of the UN ceasefire agreement. [passage omitted]

Najib said that the leadership of the UN peacekeeping troops should be strong, because their function is not just to provide food to civilians and monitor the ceasefire, as they should be able to react quickly if the Serb fighters violated the ceasefire.

Finnish President Comments on Asian Region

BK2701050795 Kuala Lumpur THE STAR in English 27 Jan 95 p 2

[Report by Shahanaaz Sher Habib]

[FBIS Transcribed Text] Kuala Lumpur—The European Union (EU) does not view the emerging closer economic cooperation in the Asia-Pacific region as a threat to the EU, Finnish President Martti Ahtisaari said yesterday.

He said the EU was not worried about the Asia-Pacific Economic Cooperation (APEC) and the Malaysia-mooted East Asia Economic Caucus (EAEC).

"I do not think we (EU) need to be afraid," he told a press conference here after his three-day visit to the country.

He said Finland, a new member to the EU, welcomed the "liberal spirit in which these initiatives (APEC and EAEC) were envisaged and implemented."

"Instead of creating barriers, they seem to aim at facilitating market access on the basis of open regionalism.

"Thus, they effectively complement GATT and WTO, a development which will be in the interest of all," he said.

Ahtisaari said the proposed summit between ASEAN and EU "did not come from fear but from a desire to discuss how to advance cooperation and what is clearly in the interest of all."

He said EU's new strategy for Asia was to develop a more balanced partnership.

Ahtisaari also said he discussed the issue of sustainable management of forests with Dr. Mahathir.

"I sense a clear awareness on the prime minister's part that the environment aspect has to be taken into consideration," he said.

Commentary Praises 'ASEAN Solidarity'

BK2801110495 Kuala Lumpur Voice of Malaysia in English 0810 GMT 28 Jan 95

[Station commentary]

[FBIS Transcribed Text] ASEAN solidarity that is existing between the governments has now seeped into the private sector as well. This is evident from the recently concluded agreement by the four ASEAN telecommunication giants.

The companies had formed a joint venture company to cater to the needs of multinational corporations in the region. The four include Telekom Malaysia, Singapore Telecom, Philippines' Long Distance Telephone Company, and P.T. [company limited] Indosat [Indonesia].

This should be an interesting development in the history of telecommunications in the region for it is the first alliance of this kind being reached. It comes at the right time too when most regional telecommunication corporations are feeling the pinch of a more liberalized sector as they slowly lose their monopolies in their respective countries.

What is encouraging is that their move to join hands will result in more efficient and higher quality service. In the long run, it will enhance regional telecommunications to the extent of matching that of more industrialized countries. By pooling their resources, it will provide the four partners with a strong competitive edge. Such a synergistic endeavor can only augur well for the formation of the Asean Free Trade Area (AFTA), envisaged to be in place by the year 2003.

The formation of the alliance therefore ties in with AFTA's objectives of enhancing intraregional trade. This is because the joint venture will upgrade regional support services.

Malaysia has been chosen as the base for the joint venture company. This comes as not a surprise given the sound economy and favorable regulatory environment. Nevertheless, the recognition for Malaysia should not be taken for granted. It did not happen by pure luck, for Malaysia was credit worthy and deserved such a recognition.

It is hoped that the four joint venture partners have worked out the practical aspects of the alliance. This is to ensure that the initiative does not remain just an initiative, but translates into a concrete operation. There have been ASEAN projects in the past which have not got off the ground mainly because of a lack of commitment. Sometimes, it is necessary to have a realistic plan. This is yet a further opportunity for ASEAN to maximize the potentials of its members.

It is encouraging to note that the Communications Authority of Thailand and Brunei Telecom will come on board in later date. It is about time that the region provides some leadership in telecommunications—the sector which has so far long been dominated by the western countries.

This is only the beginning of an exciting time ahead. All parties must pull together in the same direction. This is no time to emphasize on individual interest that could jeopardize the venture. With proper planning and commitment, the partners can make sure that the joint-venture agreement does not turn into a mere exercise in quality.

Mahathir Begins Two-Day Visit to Philippines

BK2801103695 Kuala Lumpur Voice of Malaysia in English 0600 GMT 28 Jan 95

[FBIS Transcribed Excerpt] [passage omitted] The prime minister began a two-day visit to the Philippines today. Dr. Mahathir and President Fidel Ramos will preside at the ground-breaking ceremony for the new Proton [Malaysian national car] assembly plant north of Manila. The plant, costing about U.S.$65 million, is situated in Ramos' constituency of (Pangsangilan).

Minister 'Disappointed' With West on Bosnia

BK3001084095 Kuala Lumpur Voice of Malaysia in English 0600 GMT 30 Jan 95

[FBIS Transcribed Text] Malaysia is disappointed with the attitude of Western powers who still insist on resolving the Bosnian issue by negotiations and reject military action through the North Atlantic Treaty Organization, NATO. Foreign Minister Datuk Abdullah Ahmad Badawi said the efforts had not resulted in any positive effect to end the conflict. It is clear that the Western powers are unable to act against the smaller powers and [word indistinct] the Serbs to make them accept the peace formula proposed by Western countries.

Speaking to reporters in Penang, Datuk Abdullah said the Western powers must be (?stern) in this matter and accept the view by many countries to lift the arms embargo imposed on the Bosnian Government. If the matter is allowed to prolong, it will give an ugly record in the history of world civilization on the failure by the major powers to resolve the conflict.

Mahathir Thanks UK for 'On Par' Treatment

BK2701114395 Kuala Lumpur Voice of Malaysia in English 0600 GMT 27 Jan 95

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed today thanked the British Government for its willingness to treat Malaysian companies on par with British companies. He said, however, that Kuala Lumpur is unable to reciprocate the good gesture by London because Malaysia's economy is not as big or strong as that of Britain. He was replying to questions from newsmen in the federal capital.

Dr. Mahathir earlier opened a seminar on inculcating noble values in public administration and launched three books published by the Institute of Islamic Understanding, Malaysia, in the city. He was commenting on a statement by British Secretary of Trade and Industry Michael Hesseltine. The British minister had said Malaysian companies in Britain were given access to information and contracts with government departments and agencies under Prime Minister John Major's administration.

Coalition Candidate Wins Sulabayan By-Election

BK2901085995 Kuala Lumpur Voice of Malaysia in English 0600 GMT 29 Jan 95

[FBIS Transcribed Text] Barisan Nasional or the National Front has retained the Sulabayan state seat in Sabah on the island of Borneo. Its candidate, Haji Nasir Tan Sri Sakaran, had a majority of 6,013 votes in the by-election. He polled 8,764 votes. There were 200 spoiled votes. Sixty five percent of the registered voters turned out to cast their ballots. The Independent candidate, Abdul Aziz Abdul Hamid, obtained 2,751 votes.

Commenting on the result the chief minister, Datuk Salleh Said Keruak, said that this proved the Sabah people's strong support for the coalition. He said the win had been expected. The National Front is a coalition of 12 political parties.

S46 Party To Continue Cooperation With DAP

BK2701114995 Kuala Lumpur UTUSAN MALAYSIA in Malay 27 Jan 95 p 2

[FBIS Translated Text] Kota Bharu, 26 Jan—Mohd. [Mohamed] Rozali Isohak, the public relations chief of the Kelantan state Malay Party of Spirit of 46 (S46) said cooperation with the DAP [Democratic Action Party] will be continued despite the DAP's recent announcement of its withdrawal from the Gagasan Rakyat [People's Initiatives].

He said cooperation will be maintained with the DAP outside the party even though previously there was no formal form of cooperation among the parties.

He said this to reporters after attending the opening ceremony of the Kelantan Chinese Community Heritage exhibition at the Kelantan State Museum here today.

Rozali was asked to comment on the DAP's withdrawal from the Gagasan Rakyat.

The Kelantan state deputy chief minister said even though the DAP had withdrawn from the Gagasan Rakyat, the party's relations with the other parties in the Gagasan Rakyat will not be severed.

He said the Gagasan Rakyat has not been dissolved.

He added: "Besides, we have not been dependent on the DAP. On the other hand, the party was dependent on us."

On the issue of the allocation of seats for the S46 and the PAS [Pan-Malaysian Islamic Party], he said the allocation was fair and based on the 1990 general elections.

He added that the S46 will be allocated more parliamentary seats during the upcoming general elections while more State Legislative Assembly seats will be allocated to the PAS.

Editorial Urges Boat People To Return to SRV

BK3001042795 Kuala Lumpur NEW STRAITS TIMES in English 27 Jan 95 p 14

[Editorial: "Last Round for Non-Refugees"]

[FBIS Transcribed Text] Two decades after the fall of Saigon in 1975, the final chapter in the the saga of the so-called Vietnamese "boat people" in this country is finally coming to an end. A memorandum of understanding signed recently between this country, Vietnam and the United Nations High Commissioner for Refugees (UNHCR) provides the orderly repatriation of those, the so- called non-refugees, still remaining.

Diehard idealists may question this arrangement, calling it nothing less that forced repatriation against the will of the affected people, but Malaysia and the other asylum countries have no other choice and are acting in accordance with the Comprehensive Plan of Action of the 1989 Geneva Conference on Vietnamese Refugees.

Indeed, Malaysia can take pride in its handling of this problem for it has gone out of its way to make the immigrants' living conditions, as they wait to be processed, as agreeable as possible given the understandably trying circumstances they found themselves in. Of the estimated 800,000 Vietnamese who left the country during this period, the biggest proportion, more than a quarter of a million, landed on our shores. At the height of the wave, the country had to turn an entire island, Pulau Bidong, into a refugee centre, much to the unhappiness of local fishermen. As Mr. Sten A. Brone, the then UNHCR deputy representative here put it in 1991, "the record is undisputed, there is no way anybody can touch that."

Today the number is down to about 5,200; 300 waiting to be resettled in third countries and 4,900 non-refugees to be repatriated to Vietnam. While the country has set the end of the year for the closing of its last refugee centre in Sungei Besi, it is in no hurry to put the plan into action. As the Foreign Ministry has indicated, orderly repatriation will only be implemented if the current Voluntary Repatriation Programme fails.

Although the remaining non-refugees will no doubt be greatly disappointed to be returning to the country they risked their lives to flee, and to see years of hardship in a refugee camp coming to naught, they must be made to realise that they have no other alternative. They must also face the unpalatable truth that although the Western developed countries initially welcomed them enthusiastically, viewing the mass exodus as an indictment of communism, the reality today is much harsher. Almost anything is better than a life in limbo.

Positive reports of those who returned voluntarily and carved new life for themselves must convince the non-refugees that going home is far from a dreadful prospect but is something to look forward to. After all, Vietnam today is a far cry from what it was twenty years ago. It welcomes cash and expertise from abroad and even its former mortal enemy, the United States, has made peace and lifted its long- standing trade embargo last year. Not a few refugees who have made good elsewhere are returning, eager to contribute to the reconstruction of their homeland.

The UNHCR has ample time till the end of the year to educate and persuade the non-refugees to go voluntarily and peacefully, the way much preferred by Malaysia which sees "orderly" repatriation only as a last resort.

Malaysia welcomes the end of this unhappy human drama, and a satisfactory resolution of its role in it: after having harboured the migrants for so long, it should ensure that they are not heading towards the dead-end of the road.

Illegal Fishermen Detained Near Penang Port

BK3001084595 Kuala Lumpur Voice of Malaysia in English 0800 GMT 30 Jan 95

[FBIS Transcribed Text] The Immigration Department has detained 52 foreign fishermen who were found outside the Swettenham Pier in Penang without valid documents. Its director, Haji Sasnin Othman, says they are among the 400 of fishermen and 49 fishing boats from Taiwan, Philippines, and China screened during the four-hour operations.

Those detained were 13 Taiwan nationals, 22 Filipinos, and 17 from China. He said under the existing immigration rules, skippers or sailors of foreign ships which enter Malaysian waters have no right in the port area without valid documents.

Singapore

Government Files Complaint to WTO on Malaysia

SK2701031295 Seoul YONHAP in English 0229 GMT 27 Jan 95

[FBIS Transcribed Text] Seoul, Jan. 27 (YONHAP)—Singapore has filed a complaint with the World Trade Organization (WTO) against Malaysia over the latter's restricting imports of petrochemical products, the Korea Trade Promotion Corp. (KOTRA) said Friday, citing a report from its office in Kuala Lumpur.

Singapore's action is the first complaint on international trade handled by the WTO since its inception on Jan. 1.

The island-state sought the WTO's help as the Malaysian Government rejected its request in April last year to remove both tariff and non-tariff barriers to imports of polypropylene and polyethylene, the report said.

Malaysia imposes a 30-percent import duty on these two items for a limited period of two years ending in April 1996, while requiring importers to submit a statement pledging to protect the local industry and obtain a government import permit.

Singapore has sustained a 44-percent decrease in exports to Malaysia since April last year, chiefly because of Kuala Lumpur's restrictions on polypropylene and polyethylene imports.

The report quoted a Malaysian Trade Ministry official as saying the WTO would make a decision on the Singaporean case early next year, as it would need at least one year to examine the case.

Because the time-limited 30-percent import duty on the two petrochemical items will be automatically removed in April next year, the Malaysian Government need not take any action in this case, the official was further quoted as saying.

Finnish President on Visit, WTO Meeting

BK2701141095 Singapore Radio One in English 1100 GMT 27 Jan 95

[FBIS Transcribed Text] Finland's President Martti Ahtisaari is on the second day of his visit to Singapore. It is the first visit by a Finnish president to Singapore. RTS [Radio Television Singapore] [reporter] Wong Soo How tells us more on the visit.

[Begin recording] [Wong] Finnish President Ahtisaari called on President Ong Teng Cheong today. He also met Deputy Prime Minister Brigadier General Lee Hsien Loong and Senior Minister Lee Kuan Yew.

The Finnish president had earlier visited Jakarta, Bangkok, and Kuala Lumpur. Speaking to reporters this afternoon, Mr. Ahtisaari gave his impressions on his four-nation visit.

[Ahtisaatri] It reinforced my view that this was one of the most important areas not only economically but currently also politically in Asia. There was a clear willingness in all places that we have visited to expand the cooperation and also to look for possibilities in cooperating in third countries. I am encouraged then, and I am certain that this will lead to an increased activity.

[Wong] President Ahtisaari added that the visit gave him an opportunity to look at Asia from an Asian perspective. He said he supported Prime Minister Goh Chok Tong's proposal of a Europe-Asia summit before the end of the year. The Finnish president also commented on Singapore's bid to host the first ministerial meeting of the World Trade Organization.

[Ahtisaari] In all candor, I have to say that my host did not ask me to act as their spokesman; I think perhaps they felt confident that they can make their case. But if you ask me could I sing the praises of Singapore as a possible place to have the meeting, I would have nothing against it. I would not mind at all". [end recording]

Cambodia

Arrest of Alleged Killers of U.S. Experts 'Farce'

BK2901142095 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 29 Jan 95

[FBIS Translated Text] The arrest of 11 people alleged to have killed U.S. military experts has been stage-managed by the communist Vietnamese puppets to swindle money out of the United States.

The communist Vietnamese puppets recently arrested 11 men and women. They told the long-nosed people that those persons were the killers of the U.S. military experts on a road in Banteay Srei District [Siem Reap Province]. This is really a farce staged by the communist Vietnamese puppets and sheer deceit:

1. To show that they are efficient because they are able to arrest the killers of the Americans; and

2. To swindle the money out of the United States to fill up their own pockets.

The United States is said to be skilled with computers, but it can be hoodwinked by the communist Vietnamese puppets all the same. In fact, the U.S. experts were killed by land mines in an attack mounted by village guerrillas, who were well aware that the Americans were U.S. military experts coming to assess the military situation on Banteay Srei-Sre Noy Battlefield. The village guerrillas have already been awarded 10 pairs of oxen, 10 pairs of buffaloes, and 100,000 baht. Anyone wanting to come and see the village guerrillas is free to do so.

Khmer Rouge Say Government Troops Ambushed

BK2801131795 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Jan 95

[FBIS Translated Text] On the morning of 28 January a group of enemies walking through the jungle carrying engine oil from Thai territory for their tanks in (Sa-aem) in Choam Khsan District [Preah Vihear Province] was ambushed by our National Army at the foot of the Dangrek mountain. We killed two and wounded three enemies and seized five 20-liter cans of engine oil.

Ranariddh Supports Sihanouk's Peace Initiative

BK3001072995 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 30 Jan 95

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia [RGC], said national reconciliation achieved under the initiative of His Majesty King Norodom Sihanouk Varaman will certainly bring peace to Cambodia. The prince added that the statements made recently by the king in Battambang Province leave the door open and constitute a broad basis for achieving a compromise that will bring lasting peace to the Kingdom of Cambodia.

His Majesty King Norodom Sihanouk Varaman appealed to the Khmer Rouge group to lay down arms, stop fighting and causing insecurity, and return to national society.

Prince Krompreah Norodom Ranariddh valued the Cambodian king's statements as a new basis for national reconciliation and compromise. But somehow, the prince stressed, national reconciliation should be based on the Kingdom of Cambodia's Constitution; meaning the Khmer Rouge group has to respect the Constitution, which represents the Cambodian people's wish. Prince Ranariddh further said that the Khmer Rouge must respect the Constitution since the king himself also abides by the supreme law. He pointed out as the RGC is currently striving to promote development in all sectors, the Khmer Rouge itself must end the activities that destroy the nation and agree to return to and rejoin the national community.

Ranariddh on Talbott Meeting With Hun Sen

BK3001034895 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 29 Jan 95

[FBIS Translated Text] The United States has reaffirmed to the Royal Government of Cambodia [RGC] that it will continue to provide humanitarian aid to the Khmer Rouge who have surrendered to the royal government.

Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, said the pledge was made by Strobe Talbott, U.S. deputy secretary of state, at a meeting with Samdech Hun Sen, second prime minister.

The United States began to provide rations and other basic necessities on 22 January to the surrendering Khmer Rouge. The move is designed to help the government in its efforts to persuade the Khmer Rouge to lay down arms.

Official: Some Thais Still Trading With KR

BK2801112595 Hong Kong AFP in English 1056 GMT 28 Jan 95

[FBIS Transcribed Text] Phnom Penh, Jan 28 (AFP)—A top Cambodian military official has reported meeting a Thai commander to discuss border security and a request that Khmer Rouge [KR] soldiers and arms found on Thai soil be seized and returned.

The top military official, who asked not to be identified, told AFP that the Thai army commander whom he met Friday responded "positively.

However, he also quoted the unidentified Thai commander as saying it was up to organisations such as the United Nations High Commissioner for Refugees (UNHCR) and the Red Cross to handle movement of refugees.

He expressed confidence that the Thai government's policy of recognising the government in Phnom Penh and not supporting the outlawed Khmer Rouge was being respected by the military.

But he also said there were "some Thai people" continuing to do business with the guerrillas.

The commander said Phnom Penh government forces were laying siege to a Khmer Rouge-occupied hill-top temple in northern Preah Vihear province on the border with Thailand, but the rebels were holding out.

"I think that the outlawed Khmer Rouge guerrillas still have some food to eat, shey will not yet give in to the royal (Cambodian) government. But I hope that they will return to the government soon," he said.

The temple, which straddles the Thai-Cambodian border and is set on a steep slope overlooking dense jungles, is accessible with great difficulty from the Cambodian side of the border, but can be reached with ease from the Thai side.

Bangkok strongly denies Phnom Penh's claim that the July 1993 Khmer Rouge attack on the temple was launched from the Thai side of the border.

Cambodian general Khan Savoeun told AFP by phone from his military base in northwestern Siem Reap province that his troops had surrounded the base of the temple for the past two weeks but that the guerrillas were getting supplies from Thailand.

"I don't think that the closing of the border passes between Cambodia and Thailand is totally effective yet," the general said.

Commentary Rejects Border Agreement With SRV

BK2901093495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Jan 95

[Unattributed commentary]

[FBIS Translated Text] Ranariddh and Vo Van Kiet, the communist Vietnamese prime minister, have reportedly struck a new border agreement recently. In view of this, the entire Cambodian nation and people say they totally reject the resultant compromise.

The clause stating that Vietnamese and Cambodian forces should stay put in the areas where they are now constitutes a blatant rubber stamp to communist Vietnam's plundering of Cambodia and its snipping off of Cambodian territory. The people, the masses, and Cambodian and foreign journalists have repeatedly said that between 1979 and 1991 and beyond communist Vietnam concluded scores of agreements, including the agreement on boundary removal and that on the annexation of parts of Cambodian territory in Ratanakiri, Mondolkiri, Kratie, Kompong Cham, Svay Rieng, Prey Veng, Kandal, Takeo, and Kampot Provinces. In some provinces, the strip of Cambodian territory seized by communist Vietnam is between 40 and 50 km, while in other places it is between 20 and 30 km. As for Cambodia's seas and islands, they also have almost all been plundered by Vietnam. In addition, millions of Vietnamese are currently robbing the Cambodian people's land in the interior of the country. In some areas, after the robbery, they have also organized their own Vietnamese authorities in Cambodia.

The people say the agreement that Ranariddh, a mindless hoodlum and one of Hun Sen's puppets, has rubber stamped to allow communist Vietnam to annex Cambodia opens up the real danger of Cambodian territory being lost. The people say they categorically reject the Ranariddh-Vo Van Kiet agreement and the plundering and seizure of Cambodian territory by the 4 million Vietnamese. Cambodians never assent to Vietnam's plundering of their country; they are determined to keep fighting. As for traitorous Ranariddh, he must be sent to the gallows, at all costs.

SRV-Led Lao Groups Seize Land on Border

BK3001070495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 29 Jan 95

[FBIS Translated Text] According to people in Siem Pang District, Stung Treng Province, two battalions of Lao troops under the command of communist Vietnamese troops and more than 200 Lao families were plundering Cambodian territory at Phum Chah, Srah Kev, Prek Ngeav, and Pang Russei near Tonle Kong. The Vietnamese-led Lao soldiers have set up positions in these localities and are employing Laotians to cut Cambodian trees every day.

It should be noted that Cambodian territory in Siem Pang is adjacent to the Lao border. It is a very vast and fertile area rich in timber, fish, and wildlife. Everybody knows that communist Vietnam has swamped almost all of Laos with ethnic Vietnamese. Communist Vietnam has grabbed Lao territory from the east to the west up to

Route 13. The region east of Route 13 has already been annexed by communist Vietnam and the Vietnamese in greater numbers continue to push westward.

Among these Laotians are some Vietnamese who can speak Lao and others who cannot. They push down southward from northern Laos to plunder Cambodian territory in Siem Pang and Veun Sai Districts. These are Vietnamese and Laotians from the Attapeu region in Champassak Province. These Vietnamese and Laotians have looted our land like this in the past and the number of Vietnamese and Laotians in Siem Pang District is on the rise now. This is part of communist Vietnam's policy and strategy to annex Laos and Cambodia through demographic wars. The Hun Sen-Chea Sim-Sar Kheng communist Vietnamese puppets, stooges of communist Vietnam, have given carte blanche their boss, communist Vietnam, to do so. The two-headed government with the connivance of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Ranariddh also has permitted communist Vietnam to do what it wants to do. However, the people of Siem Pang do not remain passive and let the Vietnamese plunder their land with impunity. They fight them in order to save and perpetuate the Cambodian nation and race.

Khmer Rouge Radio Criticizes VOA Broadcast

BK3001034595 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 28 Jan 95

[Unattributed commentary: "Hey Americans, Do Not Confuse the Cambodian Nation and People With Your Lackey, the Traitorous Two-Headed Clique"]

[FBIS Translated Text] In a recent broadcast, the Voice of America radio insolently said that the Cambodian people in general believe the radio of Democratic Kampuchea, which says there are millions of Vietnamese in Cambodia. This is because the Cambodian people are illiterate and have no education.

After hearing this, the Cambodian people in general, particularly students in Phnom Penh, were very angry with the United States for looking down on the Cambodian nation and people. In the face of conscience, humanity, principles of international law, and humanitarianism, what does this gross and open insult, aimed at covering up the extermination of the Cambodian race, represent?

Look at Cambodia's code of conduct; it is clean and humble and never committing aggression against anyone. The United States, France, and Vietnam are unethical; they are [words indistinct] war to exterminate mankind and are corrupt; they are the ones for drugs and AIDS. Is this not a great crime, killing and trampling Cambodians?

Can the entire Cambodian nation and people, who used to have a glorious civilization, take this since the United States has allowed the communist Vietnamese to massacre the Cambodian race and have looked down on Cambodians as though they are garbage? Cambodia, to the traitorous two-headed clique, is very cheap and low with no honor or sovereignty.

The entire Cambodian nation and people, who have a tradition of struggling valiantly and bravely to defend the nation's character and honor, are very different. They are as far apart as the sky and earth, or very different like gold and excrement, and are that different from the traitorous two-headed clique. The latter will take any insult or endure any offense from their masters. For the Cambodian nation and people, however, no, this cannot be done. Americans should not confuse the Cambodian nation and people with the traitorous two-headed clique, their lackey.

Indonesia

Cambodian Foreign Minister Ing Huot Visits

Meets President Suharto

BK2601104195 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 26 Jan 95

[FBIS Translated Text] Cambodia wants to strengthen bilateral cooperation, especially in investment, with Indonesia. This was disclosed by Foreign Minister Ali Alatas after he accompanied his Cambodian counterpart Ing Huot to pay a courtesy call on President Suharto at Jakarta's Merdeka Palace this morning. Minister Alatas told reporters that several Indonesian businessmen have invested in the timber business in Cambodia. The minister called for more investments in other areas. As for Cambodia's wish to join ASEAN, Minister Alatas said that country will first become a permanent observer.

The Cambodian foreign minister is visiting Indonesia on an introductory tour. During the meeting, Minister Ing Huot briefed President Suharto on the latest political, economic, trade, and security situation in Cambodia.

Received by Alatas

BK2701013395 Jakarta ANTARA in Indonesian 1709 GMT 26 Jan 95

[FBIS Translated Text] Jakarta, 26 Jan (ANTARA)—Indonesia fully supports Cambodia's desire to become an ASEAN member. Foreign Minister Ali Alatas said Cambodia will first become a permanent observer at the ASEAN ministerial meeting to be held in Brunei Darussalam in June 1995.

"The possibility of Cambodia acceding to the Treaty of Amity and Cooperation during the forthcoming ministerial meeting in Brunei Darussalam was discussed during the Cambodian foreign minister's recent visit to Brunei Darussalam," Alatas told reporters after meeting Cambodian Foreign Minister Ing Huot in Jakarta on Thursday.

Alatas said further that Cambodia will officially become an ASEAN observer when it accedes to the Treaty of Amity and Cooperation.

"We are ready to sign the Treaty of Amity and Cooperation and we highly appreciate Indonesia's support for and assistance to us to join ASEAN, which will strengthen cooperation between us," Ing Huot told reporters.

Ing Huot arrived in Jakarta on Wednesday afternoon for a three-day visit. On Thursday morning, Ing Huot called on President Suharto before meeting Foreign Minister Ali Alatas. He met Wahono, speaker of the House of Representatives and chairman of the People's Consultative Assembly, in the afternoon.

The foreign minister is scheduled to meet ASEAN Secretary General Datuk Ajit Singh to discuss Cambodia's accession to ASEAN.

According to Alatas, Cambodia's refusal to become an ASEAN member right away is not attributed to its internal affairs.

"They themselves want to join ASEAN gradually. This has nothing to do with their internal affairs. Rather, they want first to see their capacity," he said.

Ing Huot explained in greater detail the situation in Cambodia during his meeting with Foreign Minister Alatas. The two foreign ministers also discussed bilateral issues, particularly in the economic field, and agreed to further deepen and broaden not only trade relations but also Indonesian investment in Cambodia.

He said the two countries are exploring the possibility of signing agreements on the avoidance of double taxation and the protection and promotion of investment.

Alatas said Indonesia has given any training courses [as received], including military training, to contribute to development in Cambodia.

"We have provided training courses on irrigation, agriculture, and palm oil. In the military field, we have provided them with only military training, not arms," he said.

Regarding the fact that Indonesia lags behind Singapore and Malaysia in terms of investment in Cambodia, he said the two countries have huge capital to invest in Cambodia.

"It is not true that we are not interested, but we still need capital for our own development," he said.

However, he added about six companies have applied for permits to invest there. The companies deal in timber, steel, and iron.

Suharto Meets Philippine Vice President Estrada

BK2701115295 Jakarta ANTARA in Indonesian 0901 GMT 27 Jan 95

[FBIS Translated Text] Jakarta, 27 Jan (ANTARA)—President Suharto received Philippine Vice President Joseph Estrada at the Cendana Road Presidential Residence in Jakarta today. Estrada conveyed an invitation from President Fidel Ramos to the Indonesian president to visit his country. "President Suharto said he might be able to accept the invitation next year," Estrada told journalists after the courtesy call.

Apart from conveying Ramos' invitation, Estrada also briefed President Suharto on the latest developments in the talks between Philippine Government officials and the Mindanao-based Moro National Liberation Front (MNLF) leaders. Estrada said: "We are very thankful to Indonesia for its role in the talks."

He was in Indonesia to attend the just-completed meeting on law enforcement in Bali.

Indonesia has hosted talks between the Philippine Government and MNLF officials several times. In addition, Indonesia has sent military personnel to supervise the cease-fire in Mindanao.

He said that the officials will hold additional rounds of talks after the May general elections in the Philippines.

* Air Services With Canada Announced

95SE0076A Jakarta SUARA PEMBARUAN in Indonesian 9 Dec 94 p 19

[FBIS Translated Text] Indonesia and Canada have agreed to open direct flights as part of the effort to increase trade relations between these two friendly nations. PEMBARUAN reporter Histori Simbolon reported from Montreal, Canada, this morning that direct flights between Indonesia and Canada could begin after the two domestic airlines, Air Canada and Canadaair, have completed negotiations to determine which one will service international flights to Indonesia.

This was revealed at a meeting between Minister of Transportation (MENHUB) Dr Haryanto Dhanutirto and Canada's Minister of Transportation Doug Young in Montreal yesterday local time.

After meeting with Canada's Minister of Transportation and before flying to London, Indonesian Minister of Transportation Haryanto Dhanutirto told PEMBARUAN that he strongly supports opening direct flights between Indonesia and Canada as part of the endeavor to increase trade relations between the two nations.

Haryanto said that Canada would like a Canadian airline to pass through the Indonesian cities of Jakarta and Denpasar, Bali.

In the meanwhile, it was proposed that Garuda Indonesian Airlines could connect large cities, such as Calgari, Vancouver and Montreal. In that way, tourists could go directly from Canada to Indonesia, unlike the present situation in which they have to transit in a third country. It has been observed that Canada is a potential source of tourists. Canadian tourists going to Indonesia must now transit at a number of international airports, such as Amsterdam, Paris, Germany [as published], Singapore and Hong Kong.

Every tourist has to spend more money and a relatively large amount of time in transiting. This not only makes the tourists lose money but also indirectly makes the airlines of the two countries lose money.

To Be Discussed

Problems with plans to open direct flights between Indonesia and Canada will be discussed further at a meeting to be held in Indonesia around January 1995. The Canadian minister for Asian-Pacific affairs will lead a delegation consisting of Canadian businessmen as part of the effort to look at the possibility of investing capital in Indonesia's transportation infrastructure.

Yesterday morning, Zainudin Sikado, director general of air transportation, said that direct flights between Indonesia and Canada would have a high value considering that Canada is a potential source of tourists for Indonesia. Direct flights are absolutely supported by all parties involved in Indonesia, he said. His group will make arrangements for the Canadian airline partner after a domestic Canadian airline is chosen to service the international route between Canada and Indonesia.

Two GPK Members Killed in East Timor

BK3001051695 Jakarta ANTARA in Indonesian 1322 GMT 29 Jan 95

[FBIS Translated Excerpt] Dili, 29 Jan (ANTARA)—Two members of the Security Disturbance Movement (GPK) who always caused trouble in the village of Maliana in the Bobonaro district of East Timor, died at 1400 Central Indonesian time [0600 GMT] on 28 January after being shot by security forces.

Infantry Major Drs. [master of arts] Laeden Simbolan, commandant of the Information Task Unit of the East Timor Wiradharma/164 Military Sub-Area, told ANTARA in Dili today that in the exchange of fire between the GPK members and security forces attached to Bobonaro Military District Command 1636, another GPK was seriously wounded but managed to escape.

The GPK member was known for causing disturbances around the mountains and jungles of the Bobonaro district.

After exchanging fire at Hatolia Leten near the village of Raihiu, in the Mount Loelaco valley about 215 kilometers west of Dili, security forces managed to seize one firearm, 12 pieces of ammunition, and one hand grenade from the GPK. [passage omitted]

* NU Chief on Group's Rival Leadership Issue

95SE0082B Jakarta SUARA PEMBARUAN in Indonesian 19 Dec 94 p 1

[FBIS Translated Text] Jakarta, 19 Dec—K.H. [Islamic scholar and pilgrim] Abdurrahman Wahid, general chairman of the PBNU [Executive Council of the Muslim Scholars League], said he would not comment on the rumored formation of a rival PBNU led by Abu Hasan and his friends for the 1994-99 term, because the Cipasung congress and the work of the leadership formation team are final.

"We will simply see what will happen. I do not want to make any comment now. The important thing is to return to existing procedures," he said when reached by PEMBARUAN at his home Monday morning [19 December].

He said that the legitimacy of those who claim to be regional representatives must also be studied. According to Gus Dur, as he is nicknamed, the persons who claim to be regional representatives are actually people not recognized in their areas.

The important thing, he said, is that many areas still support the decisions of the Cipasung congress and recognize the work of the leadership formation team. The elected PBNU will continue to conduct its daily activities without being disturbed by such rumors.

"We will work as usual without being influenced by the rumors, and we will be patient as we wait for positive thinking from those people," he said.

It has been reported that Abu Hasan plans to announce a rival PBNU as an expression of dissatisfaction with the results of the congress and the NU [Muslim Scholars League]. leadership structure produced by the leadership selection team. At the Cipasung congress, Gus Dur defeated Abu Hasan by 172 to 142 votes.

At a thanksgiving service held Saturday [17 December] by the Hira Foundation at the residence of Setiawan Djodi, Gus Dur indicated that he would not welcome Abu Hasan into the PBNU as a way to resolve the crisis.

Special Congress

Gus Dur was not prepared to comment on the possibility that a special congress could be held as a solution to the problem buffeting the NU. "We should return to procedures," he said. When asked whether that meant there must be approval by the regions and branches, Gus Dur said arrangements exist for all of that.

In connection with the resignation of Dr. Fahmi Saifuddin and Sholeh Bustami from PBNU director positions, Gus Dur said that from the beginning Fahmi did not want the job and was not prepared to take it. He accepted it merely out of respect for the leadership selection team, which asked him to sit on the PBNU again. Sholeh Bustami was actually on loan from the South Sulawesi region. "If later he was unwilling, that is all right," he said.

Gus Dur said he would not replace those who had resigned, because the NU is not a department that already has people and must replace any who resign with others. The PBNU will continue to operate with the people it has. Tasks will not be distributed until all is in place, he said.

Grateful

On the same occasion, Gus Dur also expressed his gratefulness for the attitude of the government, which so far has not interfered with the problem faced by the NU and considers the "crisis" to be an internal problem that must be resolved by the NU itself.

When asked for an explanation of why he did not directly report on the work of the leadership selection team when he called on the minister of home affairs, a matter that produced various interpretations, Gus Dur said that all kinds of interpretations are all right. He said that, simply, he did not ask for time for that purpose.

"On that occasion, I merely escorted the congress committee to report that the congress had gone smoothly," he said. Gus Dur explained that he will report to authorities. As usual, the PBNU will call on the minister of home affairs, the minister of religious affairs, the commander of the Armed Forces, the minister of defense and security, and the minister of education and culture to introduce the new leadership and report on the results of the congress. Gus Dur would not say when the PBNU would make the calls, however.

Gus Dur said that the series of thanksgiving services being held because of his reelection as PBNU general chairman was not his desire. "I was merely invited. They were not my own desire," he said.

* Biographic Information on Manpower Minister

95SE0075C Jakarta MERDEKA in Indonesian 20 Dec 94 p 2

[FBIS Translated Text] You could say that he is only one person but that he is hyperactive in handling manpower problems. You might have guessed that he is none other than Minister of Manpower (MENAKER) Abdul Latief. Because wherever there is a problem with manpower this number one figure in the Department of Manpower minces no words in speaking out. "The important thing is that problems involving the lives of the work force must be settled as quickly as possible, so that they don't drag on and on and lead to bad consequences," he asserted.

However, Latief said that individual cases must be examined to prevent one-sided losses. For that reason, one of the ways is to pay attention to the best possible relations between management and labor, what is better known as "bipartite" relations.

"Actually, if relations between management and labor are fostered in the best possible way, it is highly likely that there will be no demonstrations demanding salary increases such as those that have recently enlivened the pages of the mass media," he said.

Another thing that Latief once asserted is that if a member of his staff is involved in acting as a manpower go-between, it should be reported as soon as possible to the local regional office of the Department of Manpower. This is in order to make sure that the staff is clean in order to raise the image and prestige of the department's employees.

"Manpower problems are never ending. But along with the greater challenges which we face, there are greater opportunities to find solutions to the problems, and we become more mature. Life is full of risks," said Abdul Latief.

* Banks To Expand Credit for Trade, Industry

95SE0082A Jakarta SUARA PEMBARUAN in Indonesian 16 Dec 94 p 4

[FBIS Translated Text] Jakarta, 16 Dec—In 1995, banks will provide more credit to the trade and industry sector as the amount of credit for the property sector declines. It is hoped that this will speed up economic growth because of the many export goods that will be produced.

Rudy Ramli, president director of Bank Bali, said this after presenting the 20,000th Matahari Card in Jakarta on Thursday, 15 December.

According to Rudy, with the decline in credit being provided to the property sector in 1995, the banking sector will transfer much of its credit to the trade and industry sector.

"If our country wants to progress, much credit must be provided to the trade and industry sector," he said.

As for bank competition, Rudy said that there will not be many new banks in 1995. If there are any new ones, they will not be truly new banks but mergers of existing banks.

He could not say whether the pattern of mergers will be like those that often occur, such as mergers of small banks or mergers of small banks with big ones. What is clear is that mergers will be conducted when the banks concerned have an interest in doing so.

"Mergers cannot be regulated. If both have needs and are satisfied, they can perform a merger," he said.

Interest Rates

On the same occasion, Rudy also explained that bank interest rates may rise to an average of 20-21 percent in 1995. Thus, the spread (the difference between credit interest rates and deposit interest) in Indonesian banks will on average remain about 6 percent. This figure is lower than the spread in Hong Kong and the United States, where it is an average of 9 percent.

On a note similar to Rudy's, Markus Permadi president director of Lippobank, said in Jakarta on the same day during breaks in the seminar entitled "Strategic Studies on Implications of Implementing the 1994 Tax Law" that banks will be more selective in channeling credit in 1995.

To prevent the channeling of credit to the property sector, banks next year will channel much credit to the industrial sector, especially to industries oriented to exports.

Markus explained that, in general, banking development will be related to the industry and trade sector. If those two sectors are in good condition, banks will also be in good condition, and vice versa.

Syndication

Meanwhile, in the midst of much talk about the high risk of supplying credit to the property sector, the Industrial Trading Bank (BDI) and Bank Papan Sejahtera (BPS) announced on the same day the provision of syndicated credit of 3.76 billion rupiah to PT [Limited Company] Galih Pratama Suryawisesa for the construction of 450 simple housing units in Settu, Bekasi.

Under that syndication, BDI will provide credit of 1.76 billion rupiah, while BPS will supply 2 billion rupiah. The repayment period is 12 months, with interest rates of 21 percent for BDI credit and 20 percent for BPS credit.

Agus Suprajógi, chief of BDI credit affairs, said he dares to provide this credit because risk in the construction of simple housing is not as great as in the construction of apartments.

Moreover, the market for the houses being built under the syndication is a "captive" one, which means credit repayment will be fast. "Thus, we are not afraid that this credit will be a bad debt, a thing that many people fear," Agus said.

* Bright Future Predicted for Forestry Sector

95SE0082C Jakarta SUARA PEMBARUAN in Indonesian 19 Dec 94 p 4

[FBIS Translated Text] Jakarta, 19 Dec—The future of forestry in Indonesia looks very bright, and forestry and the timber industry will continue to be the most important sectors.

Hendarsun, S.S. [Master of Literature], director general of forest utilization in the Department of Forestry, said this recently in Jakarta in connection with an interview with Ministry of Forestry Djamaloedin Soeryohadikoesoemo by the editor of TROPICAL FOREST UPDATE at the meeting of the International Tropical Timber Organization (ITTO), which was held in Yokohama, Japan, from 8 to 16 November.

He said that at that time the minister of forestry also predicted that domestic economic development will increase the domestic demand for wood and expand trade in forest products. The minister of forestry said, therefore, that the ITTO must help its member nations to improve their abilities to operate permanent timber industries. Such help should include preparation of "ITTO Guidelines" on processing by timber industries, Hendarsun explained.

Conservation Efforts

He said that the minister of forestry also reported that, as an achievement in conservation in the forestry sector, the Department of Forestry has imposed discipline on holders of forest utilization rights to ensure compliance with provisions of laws and regulations, in accordance with the Forestry Agreement.

As for other activities, the minister of forestry also said on that occasion, according to Hendarsun, that there has been a more rational harmonization of policies, namely the setting of the annual cutting target at a conservation level of 22.523 million cubic feet from natural forests and 2.71 million cubic feet from cultivated forests.

The minister also said in the interview that authority has been given to regional governments to participate actively in forestry activities through the formation of the Forest and Land Conservation Service, which is a step toward achieving forest conservation in Indonesia. At another point in the interview, Hendarsun said, the minister of forestry also said that Indonesia is now the biggest plywood producer in the world, with an annual output of about 10 million cubic feet. In the timber industry, exports of logs have been limited since 1980.

The problem faced in expanding the timber industry is the declining supply of raw materials. Therefore, the Industrial Cultivated Forest (HTI) Program must be continued in anticipation of that problem. There are now more than 3 million hectares of HTI, and in five years more than 4 million hectares will be realized.

Forest Conservation Certification

Hendarsun said further that the minister of forestry revealed that the Indonesian Government will participate in forest certification by the year 2000. The certification mechanism will be an instrument for promoting management of conserved forests. Under such management, certification will be applied without discrimination (for all types of forests, whether tropical, temperate, or boreal).

This will encourage conservation in the development of forests by using criteria and indicators like those used for tropical forests, Hendarsun added.

Laos

Hydropower Project With Thailand Signed 26 Jan

BK2701113995 Vientiane KPL in English 0909 GMT 27 Jan 95

[FBIS Transcribed Text] Vientiane, January 27 (KPL)—A contract for a feasibility study on the development of the Nam Ngum-3 hydropower project was signed here yesterday at [Office of] the Committee for Planning and Cooperation.

The contract is in furtherance of a minute reached on March 16, 1994 between the Lao government and the MDX Power Co. Ltd. of Thailand to survey the construction site prior to proceeding with the building of Nam Ngum-3 hydropower dam.

According to the M.O.U. [memorandum of understanding], The Lao Government and the MDX Laos will develop the Nam Ngum-3 hydropower project in order to generate electricity for export to Thailand and neighbouring countries. The dam is designed to generate 2,670 mw/h per annum and will have an installed capacity of 400 mw. The project will build a 230 metre high dam, construct a tunnel 11.5 kilometres long and will create a reservoir of 2.7 million cubic metres of water. The partners will set up a joint venture in which the Lao government will hold a 45 [percent] share while the MDX will have a 55 share.

The initial survey of the project was conducted in 1987 by Motor Colombus of Switzerland. The feasibility study will take 15 months at a cost of one million U.S. dollars paid in advance by MDX as a share of the total financial involvement of that company.

The signatories were Mr. Roy Jutabha, executive president of MDX Laos, and Mr. Michael Muller, representative of SMEC SEATEC International Engineering.

Provincial, PRC Experts Survey Upper Mekong

BK2801104695 Vientiane VIENTIANE TIMES in English 20-26 Jan 95 p 1

[FBIS Transcribed Text] Experts from the northern provinces of Luang Namtha [and] Bokeo and the Chinese city of Xiang Hung have begun a joint survey to collect necessary data for the planning of socioeconomic development along the Upper Mekong River.

With the initial survey, it is expected that construction of hotels and shops at Siang Kok Village, Long District, Luang Namtha Province, and at Mom Village, Ton Pheuang District, Bokeo Province, will be possibie.

At the same time, the team has suggested improving the four existing border check points and customs offices located at the villages of Kone Leui, China, Siang Kok, Mom, and Houai Sai. A new checkpoint at the mouth of La River, at the Lao-Chinese border, is also planned to ensure security and to allow better management of import-export activities.

Laos and China have agreed to step up effective cooperation in communication development along the Upper Mekong River.

Border Meeting Held With Thai Committee 24 Jan

BK2701114295 Vientiane KPL in English 0920 GMT 27 Jan 95

[FBIS Transcribed Text] Vientiane, January 27 (KPL)—The Border Security Cooperation Committees of Laos' Khammouane Province and of the Nakhon Phanom Province of Thailand held their second session on January 24 in Khammouane, central Laos.

Heading the Lao delegation was Mr. Inpong Khaignavong, governor of Khammouane and chairman of the Border Security Cooperation Committee of Khammouane, while the Thai delegation was led by its governor Seumsak Phongphanit.

The two sides reviewed the implementation of the memorandum signed at the first session by each country, sharing information about both past and present activities.

Philippines

Foreign Ministry Discloses DPRK Envoy Visit

OW2801095995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jan 95 Morning Edition p 8

[By correspondent Genichiro Hirano]

[FBIS Translated Text] Manila, 27 Jan—A source at the Philippine Foreign Ministry disclosed on 27 January that DPRK Ambassador to Thailand Yi To-sup will visit Manila from 30 January to 3 February for talks with Philippine Vice Foreign Minister Severino [name as transliterated] on the establishment of diplomatic relations between North Korea and the Philippines.

In the past, North Korea had requested that the ambassador visit Manila. He was scheduled to visit Manila last December, but his planned visit was postponed because of the situation in North Korea.

In 1990, the DPRK sent a delegation to Manila to sound out the Philippine Government about establishing diplomatic relations between the two countries. The Aquino administration, however, set three conditions for normalizing diplomatic relations, and it added that it would not go along with any request by Pyongyang for normalizing diplomatic relations between the two countries as long as the three conditions were not met. The three conditions are: 1) the DPRK immediately halt its assistance to the Philippine Communist Party and communist guerrillas; 2) North Korea join the United Nations, and 3) the clearing up of suspicions about North Korea's nuclear development program.

The Ramos administration takes the view that of the three conditions for normalizing diplomatic relations between the two countries, the one concerning clearing up the suspicions about the DPRK's nuclear development program remains unmet. The Ramos administration intends to go along with North Korea's request to normalize diplomatic relations within this year if the DPRK pledges that it will fulfill the one remaining condition.

Filler Denies PRC Military Base on Spratlys

BK3001013695 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 29 Jan 95

[FBIS Translated Text] AFP [Armed Forces of the Philippines] Lieutenant General Alfredo Filler denies reports that China has put up a military base on one of the Spratly Islands claimed by the Philippines. According to Filler, Mischief Shoal is the island reportedly often used by Chinese ships for stop overs and is not part of the eight Kalayaan Islands. According to Filler, the shoal is an ideal stopover for ships especially during bad weather.

Mahathir Completes 2-Day 'Private Visit'

BK3001070795 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 29 Jan 95

[FBIS Translated Text] The Malaysian prime minister ended his two-day private visit to the country after inaugurating the P[Philippine pesos] 1.2 billion Proton Wira Plant in Alaminos, Pangasinan. According to Mahathir, his visit to the Philippines is not just to bring a factory but a car industry. Ramos said that through the Proton Wira car, the Philippines will become a car manufacturer and not just an assembler.

Police Confirm Terrorist Bombed PAL Flight 434

BK3001025195 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 29 Jan 95

[FBIS Translated Text] Philippine National Police report that the international terrorist group, who planned to assassinate the pope during his visit to the country, bombed the Philippine Airlines jet bound for Japan last month. Abdul Basit Mahmood was on board PAL flight 434 together with other 62 passengers. Mahmood is identified by international police and U.S. intelligence agents as the leader of an international terrorist group mostly composed of 30 Muslim extremists. Mahmood's group also aimed to kill the pope when he visited the Philippines, but the plot was uncovered and the police raided the hideout in an apartment in Manila on the second day of the pope's visit. According to reports sent to PNP Director General Recaredo Sarmiento, Mahmmod used the Italian name Arbaldi (Forlani) when he purchased a plane ticket on 9 December at (Sultat) Express Travel at the Century Park Hotel in Malate.

Congress Emphasizes Education in 1995 Budget

95SE0080A Manila BALITA in Tagalog 22 Dec 94 p 4

[FBIS Translated Text] The Congress approved a budget of P382.2 billion [Philippine pesos] for fiscal year 1995, two days ago. Education got the highest allocation of P53.145 billion, which includes a P7.4 billion fund for state universities and colleges. The Department of National Defense fund set at P26.1 billion is lower this year. This is because the budget for the Philippine National Police is now included in the budget for the Department of Interior and Local Government.

At the grass-roots level, the most significant item is the P1,000.00 monthly increase in the basic salary of government workers, and P2,000.00 in productivity incentive benefits.

The Commission on Elections has allotted P740 million for the 1995 elections, apart from a P70 million fund for the distribution of sample ballots containing names of candidates and other election details, including voters' precinct numbers.

The debt service has been reduced to P98.5 billion, P5.1 billion lower than what Malacanang had asked for; however, the fund for the debt service is manageable considering this year's total budget of P382 billion.

The public works and highways' appropriation is P31.2; this does not include infrastructure projects, which are supported by soft loans from various donor countries, specially Japan. The payments for these loans are obtained later from the debt service appropriation.

In accordance with the decentralization plan, the local government units receive a larger fund for 1995 of up to P55.1 billion, P5.6 billion higher than the previous year.

The budget is not a pleasant thing to read; it requires patience, perseverance and concentration. But we must be aware of how the taxpayers' money is being spent. We should test the government's sincerity in its decisions in relation to the way it appropriates public funds because the budget's priorities somehow reflects the government's sincere intentions.

It is so encouraging to know that the legislators were able to come up with the 1995 budget and also get priorities right: the education fund, benefits for government workers, more emphasis on the development of the local government rather than the armed forces, and the rightful allocation of funds for the coming elections in which the people can exercise their sovereign right to vote. What is more heartening to see is the government's demonstration of discipline in spending money as manifested this year and in the year to come, and the manageable size of our debt services [from 45 percent for the past so many years to just 26 percent].

Uniform 5 Percent Tariff Rate Deferred to 2004

BK2701114495 Manila BUSINESS WORLD in English 26 Jan 95 pp 1, 5

[Report by Micheline R. Millar and Esther C. Tanquintic]

[FBIS Transcribed Text] Government and key industry leaders agreed to defer by one year the implementation of a uniform 5 percent tariff rate which was supposed to take effect by year 2003, Cielito Habito, director general of the National Economic and Development Authority (NEDA), said yesterday.

Mr. Habito said the agreement was reached early this week at a meeting of the committee on trade and related matters (TRM) at Malacanang.

Industry was represented by the Federation of Philippine Industries and the Philippine Chamber of Commerce and Industry.

The new tariff reform schedule will be the basis for the detailed tariff structure to be prepared by government for circulation to the private sector.

"There has been a general sentiment during the meeting that the proposal of the private sector and the Department of Trade and Industry [DTI] be pursued, that is, that the country adopt the 5 percent uniform tariff rate by the year 2004 instead of 2003 as originally planned," Mr. Habito said.

The proposed change also includes a move towards a two-tiered tariff setup by the year 2003. The two tariff rates then would be 3 percent for raw materials and 10 percent for other commodities.

The present tariff structure, embodied in Executive Order No. 470, has four layers: 3 percent for raw materials and capital equipment not locally produced; 10 percent for those produced locally; 20 percent for intermediate goods; and 30 percent for finished goods.

Based on the original schedule, from 1996 to the year 2000, the present structure is to be replaced by a two-tiered system of 3 percent and 10 percent.

By 2003, a 5 percent uniform tariff rate will take effect, except for:

—finished goods of basic industries registered with the Board of Investments on a pioneer status;

—commodities subject to quantitative restrictions;

—farm products covered by Memorandum Order [MO] No. 95 which allows tariff rates of over 30 percent in accordance with the tariffication procedure of the Uruguay Round of the General Agreement on Tariffs and Trade. MO 95 allows quantitative restriction on farm products locally produced in sufficient quantity; and,

—goods with tariff rates raised under Executive Order [EO] No. 8 upon liberalization. EO 8 covers mostly farm products.

Mr. Habito admitted NEDA was not keen on the change of schedule proposed by the private sector and the DTI. "However, we may as well abide by the new schedule as it has the support of the private sector. We're still hoping, though, for a change of mood along the way," he said.

Meanwhile, responding to businessmen operating in the City of Manila seeking clarification regarding Section 21 of the city's revenue code, the Department of Finance (DoF) ruled the imposition of such taxes "would constitute double taxation."

Manila business establishments sought the help of the DoF to clarify and/or stop the Office of the City Treasurer of Manila "from imposing and collecting the additional municipal tax under Section 21 of Ordinance No. 7794."

In a position paper, the DoF ruled that if a commercial enterprise is already taxed under Subsections (a) to (g) of Section 143 of the Local Government Code, "such a business should no longer be taxed under Subsection (h)."

Additional taxes on businesses already subject to the business taxes under Sections 14 to 20 of the Revenue Code "would constitute double taxation as the same kind of tax is being imposed twice on the same business."

The DoF also said the phrase "on any business subject to the excise, value-added or percentage tax" of Manila's Ordinance No. 7794 should be interpreted as businesses that will be imposed an additional tax "should not exceed 2 percent of gross sales or receipts of the preceding calendar year. It does not authorize the imposition of a value-added tax, percentage tax, or excise tax."

Estrada's Unusual Position for Upcoming Election

95SE0080B Manila BALITA in Tagalog 16 Dec 94 p 4

[FBIS Translated Text] Preparations by politicians for the coming election are becoming more intense. The relationship between the Nation's Strength and the Liberal Democratic Party is still shaky, while the National People's Coalition [NPC] is working hard to become an effective opposition. Important politicians from the Ramos, Angara, De Venecia and Maceda groups are actively rallying toward the advancement of their respective political careers. It is only Joseph Estrada who has not made any arrangement nor has indulged himself in any of the ongoing activities. His position seems to be so unusual amidst all these political movements.

He was elected under the National Peoples' Coalition-Party of the Filipino Masses. He has not clearly resigned from the NPC, which has been attacking the administration but has continued to serve the government as the head of the PACC [Presidential Anti-Crime Commission]. Many people have predicted that the vice president will be one of the most important candidates for the presidency in 1998. He has said that he would be campaigning for some candidates from various political parties who will be running in the local elections.

He may not have involved himself in the ongoing political maneuverings now, but it is time for him to declare his party-affiliation. And not only that, he must also declare his position on basic issues.

Erap [Joseph Estrada] is the only candidate who won indisputably in the last election, and he still leads in all the popularity surveys. Erap should not let his opportunity to take part in discussions about the country's problem just pass by.

He has shown his courage in supporting controversial issues before, such as the military bases. When he ran for the Senate, he delivered a speech on nationalism and declared his opposition to the foreign debt policy. However, his popularity never diminished. But a popularity based on evading issues never lasts. He should return the people's trust bestowed in him by actively expressing his views on the country's problems.

He needs to impart his visions now for the century to come when he expects to be the head of state. If he gambles his popularity by talking about the country's basic policies, he will have an important place in our history even if he fails to achieve his principal ambition.

Commentary on Politicians in Central Luzon

95SE0080C Manila BALITA in Tagalog 16 Dec 94 pp 4, 5

[FBIS Translated Excerpt] The leaders in Central Luzon held an important meeting recently in the house of Peping Cojuangco, a veteran congressman in Tarlac. Peping [Jose] is known as a brilliant politician, and husband of Tingting Cojuangco, a governor and a former civic leader. The couple are also known as the loving parents of Mikee Cojuangco, a good athlete and a movie idol of the young. The formation of the group is not meant just for politics alone nor is it meant to irk whoever is in Malacanang. It was a sincere gathering of the Central Luzon leaders, like Governors Roman, Pagdanganan, Joson, Dojuangco, Guiao and Deloso to find alternative solutions for a needed change. Central Luzon is located in the middle of our small island, which is why it is called central. The leaders here, mayors or senators, want to ensure the development and success of their territory, which is the right thing to do. Central Luzon has much potential and many intelligent people. The meeting at Jose Cojuangco's house, which was attended by Tong Payumo [Forbes Park], Carding Silverio [Urdaneta Village] and other Central Luzon leaders, is the initial step toward rational planning for Central Luzon's development. The president should be happy to know that some people are not only focusing on politics but are also thinking of ways on how to be progressive. [passage omitted]

Government, MNLF Nur Misuari Talks Begin

BK3001062295 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 29 Jan 95

[FBIS Translated Text] The third round of peace negotiations between the government and the Moro National Liberation Front [MNLF] has begun. The peace talks between the two groups are being held at the Orchid Garden Hotel in Zamboanga City. MNLF Chief Nur Misuari arrived from Sabah together with his 115 security men, but only 15 of these were allowed to enter the peace talks venue. No formal announcements as to the details of the talks have been released yet. The talks will focus on regional security in Mindanao and the expansion of autonomous region of Muslim Mindanao.

Meanwhile, according to reports from Cotabato City, government troops and the Moro Islamic Liberation Front [MILF] have agreed to withdraw from the irrigation project in Cotabato Province. The agreement was signed by Army Colonel Rodolfo Garcia and MILF Chieftain Hadji Muhammad Manalo. The agreement aimed to end the bloody encounter between the two groups at the irrigation project. The Malmar Irrigation project in Cotabato had been the center of bloody confrontation between the military forces and the MILF. With the withdrawal of the two groups, local policemen will be deployed together with some residents to act as security force for the irrigation project.

Thailand

Karens Flee Across Border; Thaksin Comments

BK3001133595 Bangkok Radio Thailand Network in Thai 1200 GMT 30 Jan 95

[FBIS Translated Text] According to the Public Relations Office of Kanchanaburi Province, the Burmese Government soldiers' attack on the Free Karen force on 28 January at Ban Huai Mong and Ban Lang Changphuak, which is about 25 km from the Thai border, resulted in 1,074 Karens, mostly women and children, fleeing to Thailand at village group 3, Tambon Bong Ti, Saiyok District, Kanchanaburi Province. Today another 1,678 Karen fled to Thailand. The Saiyok District administration provided 19 tents for the fleeing Karens to stay at Bong Ti temple and gave them dry food and rice. The Kanchanaburi governor and Red Cross units also handed out clothes and essential articles today. Many displaced Karens, mostly children, were ill and given necessary treatment.

Sporadic clashes between the Burmese Government soldiers and the Free Karen force reportedly continued. The situation is expected to cause 1,200-1,500 more people to flee to Thailand. The fighting has not resulted in any danger or impact on the Thai people. Moreover, Karen General Bo Mya has not been hiding in Thai territory.

Foreign Minister Thaksin Chinnawat has said that the Thai Government has a firm policy of not interfering in the operation launched by the Burmese Government against the Karen strongholds near the Thai border. Thailand regards the matter as Burma's internal affair. It will only provide humanitarian assistance to the displaced people, who will be sent back promptly, after the severity of the situation lessens.

[Begin recording] [Thaksin] We will follow our principle of noninterference in the situation.

[Unidentified reporter] We will not become involved if the United States revives the policy of isolating Burma. Is this the case?

[Thaksin] We will not become involved.

[Reporter] Does this mean that we disagree with such a U.S. policy?

[Thaksin] Not really. We have been using the so-called constructive engagement policy. We have not changed the current policy.

[Reporter] And this despite condemnation of the Burmese by the international community?

[Thaksin] I have not been informed about that. Let's not go that far. So far no countries have done so. The statement by the United States praised our humanitarian action as correct. [end recording]

Chuan, Thaksin Stress Position on Burma

BK3001144095 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 30 Jan 95

[FBIS Translated Text] Commenting on the U.S. request that Thailand abide by humanitarian principles and help the Karen people fleeing suppression by the Burmese military government and crossing into Thailand, Prime Minister Chuan Likphai said Thailand has always been kind to foreign refugees, and the United States should realize this fact. Asked about a report saying Karen leader General Bo Mya has fled into Thailand, the prime minister said he has received no report to that effect.

[Begin recording] [Unidentified reporter] Gen. Bo Mya, the Karen leader ...

[Chuan, interrupting] I have received no report concerning Gen. Bo Mya. The report I saw said only that some Karen people crossed the border into Thailand, but there was no indication who they are. [end recording]

Foreign Minister Police Lieutenant Colonel Thaksin Chinnawat, meanwhile, reasserted Thailand's policy of noninterference in Burma's internal affairs, regardless of the fact that the United States has announced resorting to a policy of isolation following a serious crackdown on ethnic minority people by the Burmese Government. He said Thailand will adhere to the policy of constructive engagement with Burma.

[Begin Thaksin recording] We will not interfere. When we asked, Burma gave us its version of the reasons for its actions. However, when we asked the United States, the United States believes Burma has other reasons for its actions. It was a discussion between them. As for us, we will follow our policy—the policy of noninterference. [end recording]

Temporary Asylum Pledged for Karen Refugees

BK2801105095 Bangkok THE NATION in English 28 Jan 95 p A8

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Excerpt] Thailand has promised not to send back thousands of newly-arrived Karen refugees, who were forced to flee by the ongoing Burmese offensive against the Karen guerrillas.

The refugees, who are still crossing the Moei and Salween rivers into Thailand will be permitted to stay on a temporary basis, according to senior Thai government officials and military officers.

Nine private aid agencies, which have been assisting Burmese refugees along the Thai-Burmese border, will be allowed to provide emergency aid to the arrivals, who are scattered along the riverbanks in makeshift shelters.

"Thailand has not changed its humanitarian policy and will not send back the newly-arrived refugees," a senior military officer said.

Thai border authorities are still trying to ascertain the exact number of refugees, said to e over 2,000 already.

Most of the refugees are concentrated near the confluence of the Moei and Salween rivers, the authorities said.

Aid workers, in telephone interviews yesterday, said they are closely monitoring the border situation but expressed hope that they would be able to handle the refugees "in the short term".

They said they were told by Thai authorities that they could visit the refugees.

The agencies are ready to provide "short-term" emergency assistance to the arrivals, they added.

At the moment the workers are trying to check the exact figures and locations of the refugees.

One social worker, who asked not to be identified, said he has no idea how many refugees would reach Thailand, but expects the figure to be between 5,000-10,000.

Most of the arrivals, he said, have brought their belongings with them and other basic needs for short-term survival.

"Non-governmental organizations are prepared to send rice, medical supplies and other humanitarian aid for the emergency," he said.

The worker said he was uncertain about the Thai policy towards Burmese refugees and added that he feared local Thai Army officers would block attempts to deliver aid to the refugees.

He said the offensive has also caused old refugees t move and so that could complicate humanitarian operations towards the new arrivals.

The sudden influx of refugees was caused by the latest Burmese military offensive to capture Manerplaw, the headquarters of the Karen National Union (KNU), the exiled Burmese democratic government and dissident Burmese students. The Burmese operation against the KNU has caused an international outcry against the Burmese junta, the State Law and Order Restoration Council (Slorc), which had revoked its unilateral ceasefire against the Karen group and other armed ethnic movements. [passage omitted]

SLORC Urged To Find Peaceful Solution

BK3001043695 Bangkok THE SUNDAY POST in English 29 Jan 95 p 22

[Editorial: "Mon incident should serve as reminder in handling latest flood of refugees"]

[FBIS Transcribed Text] Burmese troops on Friday captured the last major stronghold of the Karen National Union, its headquarters in Manerplaw. This is also the home of the Burmese government-in-exile and dissident student groups fighting the Rangoon regime to achieve greater autonomy and the restoration of democracy to the country.

The fall of the Karen base has resulted in a big flow of refugees into Thailand. As of Thursday more than 3,000 people, including Karen guerrillas and their families, were reported to have crossed the Moei River to Thailand. Relief agency sources say the figure is expected to swell to between 5,000 and 10,000 very soon.

A senior Thai military officer has pledged the new influx of refugees will not be sent back to Burma.

"Thailand has not changed its humanitarian policy and will not send back the newly-arrived refugees," he said.

Thai authorities have also told aid workers and relief agencies that they can visit the refugees. One relief worker said "non-governmental organisations are prepared to send rice, medical supplies and other humanitarian aid for the emergency".

But he is uncertain about the Thai stand toward Burmese refugees and fears local Thai Army officers will block attempts to deliver aid.

His fears are not unfounded if we are to judge by past actions of regional army officers. The Mon refugees' incident at the new Halockhani Camp in Thai territory on the Burmeese border in August last year is a case in point. Thai police and military blocked access to their camp in a bid to cut off food supplies to the refugees and force them to return to their settlement in Burma from which they had fled after a raid by Slorc troops.

The Mon were finally pushed back across the border.

The question is whether the Karen and Burmans who include MPs elected in 1990 and students of the All Burma Students' Democratic Front face the same fate as their Mon brothers-in-arms. Will the same kind of pressure be applied to these groups, who like the Mon have yet to strike ceasefire deals with the Burmese military regime?

Both these ethnic guerrilla groups are occupying strategic areas which are of importance to both the Burmese regime and Thailand in terms of business interests. The planned natural gas pipeline from the Gulf of Martaban to the Thai border cuts through Mon territory.

A long stretch of the mighty Salween River which divides the two countries is in Karen-controlled territory where the idea of building hydro-electric dams has been floated to supply much-needed energy to run Thailand's factories.

For the gas and water to flow freely to its Thai customers, the Rangoon government must ensure, at all costs, that the Mon and Karen are brought to their knees to enable the Slorc regime to rake in the much-needed foreign exchange to buy more sophisticated war materials.

According to reports, banks are very reluctant to lend $600 million to Total and Unocal to build the natural gas pipeline in a Burmese war zone because of the presence of these two guerrilla forces which have threatened to sabotage the pipeline.

The Slorc needs $400 million in annual income from natural gas exports to Thailand to finance its military occupation of Burma. Observers say this is the primary reason why the Slorc terminated its nationwide ceasefire against the two ethnic forces and dissident Burman parliamentarians and students.

All in all, it boils down to the issue of business taking precedence over human rights or vice-versa. The Slorc, we know, has no respect for human rights. Abuses like forced labour, detention and torture of political prisoners without trial, forced relocation and displacement of the Burmese populace from their homes and land are common. The list of abuses goes on.

Thailand, on the other hand, as a democratic country, should realise by now that its "constructive engagement" policy with its western neighbour is not producing the results hoped for, i.e. to encourage a peaceful political settlement and reform in Burma and to end human rights abuses.

The same can be said for other Asean members and some Western countries which have cosied up to the Burmese military junta with an eye on that country's rich natural resources and huge business opportunities.

As one human rights group official put it: "Despite the difficulty of getting reliable information from the region, the nature of the government in the present assault is clear.

"The government's publicly stated commitment to the peaceful resolution of Burma's ethnic conflicts must now be challenged by the international community while there is still time to prevent yet another humanitarian crisis on Burma's borders."

Thailand must decide now on how to best tackle the latest dilemma and avoid repeating the "Mon incident". It should step up its pressure and apply its persuasive powers on the Rangoon government to find a peaceful political solution to its problems and to achieve national reconciliation as soon as possible. Only when this is achieved will we be spared the perpetual burden of having to shelter refugees in our land.

Thaksin Warns PRC Following Apstar Failure

BK2801115795 Bangkok BUSINESS DAY in English 28 Jan 95 p 1

[Report by Robin Mcdowell]

[FBIS Transcribed Text] Foreign Minister Thaksin Chinnawat warned yesterday that if China fails to respect international regulations it will face retaliation from Thailand the next time it prepares to launch its telecommunications satellite.

"If China insists on reviving the Apstar 2 project, and insists on sending (the satellite) to the same geostationary position, Thailand will not hold back any more," Dr Thaksin said upon his return from Malaysia, where he attended a joint-border cooperation committee.

The statement was made one day after a Chinese rocket, carrying the telecommunications satellite Apstar 2, exploded after takeoff.

Days before the failed launch, Chinnawat Satellite accused the Chinese government of ignoring standards set by the International Telecommunications Union (ITU) by giving only two weeks notice prior to launching and by positioning its satellite only 1.5 degrees from Chinnawat Satellite's Thaicom I and Thaicom II.

The ITU recommends that satellites are at least 2.5 degrees apart to avoid interference of frequencies.

"Normally, to send a satellite to any position there must be an announcement made ahead of time, according to ITU rules," said Dr Thaksin, the majority shareholder in the Chinnawat Computer and Communications, which is the parent company of Chinnawat Satellite.

"If (China) does not respect the international rules, and does not heed Thailand's views, Thailand will retaliate."

Officials from Thaicom expressed condolences following Wednesday's blast, but stressed the need for ongoing negotiations regarding future orbit position coordination.

China does not have any spare satellites, and it is expected to take eight months to two years to build a new one.

A Chinnawat Satellite source said: "The coordination regarding the interferences from the launch of Apstar II satellite must go on because Chinese government still insists on sending a replacement satellite to the same slot (orbit location). The source also expressed concern regarding problems that may arise when the Chinese government launches a third satellite in a nearby orbit delegated for Chinnawat's Thaicom III satellite—between 120 and 124 degrees east.

A foreign ministry source said: "The Thai Government must cooperate with the Chinese government to avoid the overlap in 124 degree East, for which the Post and Telegraph Department has submitted the reservation request to the ITU. This orbit has already been technically examined by the Post & Telegraph Department."

SRV Office Part of U.S. 'Economic War'

BK3001073295 Bangkok THAILAND TIMES in English 30 Jan 95 p A 4

[Editorial: "Another Step Toward an Economic Warpath"]

[FBIS Transcribed Text] The opening of the United States Liaison office in Vietnam last week, nearly two years after lifting the fifteen-year trade embargo against Hanoi which hurt the US economy more than it did its intended victim, appears to be another step taken towards gearing up for economic war in Asia.

In response to yet another ploy by the Western industrialized and developed countries to introduce a global minimum wage, the developing Asian countries, especially those in ASEAN, should collectively oppose any such move. It is obviously aimed more at diminishing the comparative cost advantage and eliminating the competitive edge held by nations of this region, than it is real Western concerns over the welfare of workers and human rights in developing states.

The recent objections raised by the European Union over the methods adopted by the United States in its efforts to penetrate Asian markets by force or the "stick and carrot" method, which violate the GATT accord, should be raised at World Trade Organization (WTO) meetings, like that which took place in Marrakech.

US demands of including issues irrelevant to free trade such as environmental protection, workers' rights to form unions and other human rights issues should serve as an eye opener to the leaders of this region of Western designs to create a disadvantage for exports from developing nations by making products less competitive in their markets.

The US in its endeavor to penetrate the markets of China, Indonesia, Japan, Malaysia and Thailand, is talking to individual countries, bilaterally offering each the "carrot" (Most Favored Nation status), employing its adept diplomacy geared for its own economic survival—exposes, the elusive designs of how Americans are avoiding coming to terms with a collective Asian forum. But it is also creating distrust and misunderstanding among Asian nations. To some extent, the disunity and the suspicion within the Southeast Asian region have fueled ASEAN and have kept other East Asian countries from joining hands and speaking out as a single Asian voice.

The leaders of this region owe it to generations yet unborn to play a productive role, with a collective consensus, and refuse to play into the American's hands. The up-coming ASEAN Summit could be the time for the most creative ASEAN initiatives to ensure it will play a productive role and continue to progress; and ASEAN collaboration should extend beyond its borders, beyond Southeast Asia, beyond East Asia and even beyond the Asia-Pacific region.

ASEAN with its own limited resources, should be realistic and recognize that Japan is the Asian economic heavy weight in the region; and Japan, on the other hand, must rethink her position towards ASEAN both economically, and politically. This region will be weakened, unless Japan focuses more towards ASEAN and other Asian countries. And this will benefit her as well.

In addition, whatever the political beliefs in China are, "one country with two policies" has to be taken seriously. China has been opening up her economy to world trade and investments for the past decade and has fairly successfully blended a free market system with a centrally-planned economy. There is no doubt that the China today is economically healthier than the China during the Cultural Revolution and under Maoism. ASEAN and other Asian states cannot ignored China in any "Asian" regional initiative be them economic, political or security-related. And Vietnam should be no exception either. Asia does not want the US to tell what it ought to do.

On the other hand, there are hosts of problems for the world arising due to weaknesses in the world's biggest economy and biggest debtor nation—the United States. There is a sole American Giant, with immense problems at home and no longer driven by the imperatives of the Cold War, forcing its way into the growing Asian economies with@ carrot and stick, "look our way or else", threat.

We see a situation today of a dramatic rise in the political, diplomatic and military clout of the US, but a severe erosion of its economic position. The increased pressures in the political, social and economic spheres have triggered it to deviate from the principles of democracy and free trade towards protectionism. And total "Plutocracy" seems the driving force of the US Establishment—towards an economic war, where the growth is—in Asia.

Bangkok To Protest to Cambodia on Shelling

BK3001061495 Bangkok THE NATION in English 30 Jan 95 p A5

[FBIS Transcribed Text] Surin—Fighting between Cambodian government troops and Khmer Rouge guerrillas in Cambodia's Preah Vihear province has resulted in rockets and artillery shells falling on Thai soil.

Military sources said yesterday a protest will be made to the Cambodian government through the Foreign Ministry.

A total of 11 shells and rockets were reported to have landed about 10 kilometres inside Thailand in Kantharalak district, Sisaket province, on Friday. No casualties were reported but a wooden spirit house was destroyed.

A senior officer with the Suranari Task Force said yesterday that Cambodian government troops had succeeded in driving the Khmer Rouge from areas around Chey Nivoat village, which is in Preah Vihear's Choam Khsan district, after heavy fighting began on Jan 11.

"The Cambodian troops are now striving to take over another Khmer Rouge stronghold in Preah Pralay village in the same district," said the officer, who declined to be named.

Phnom Penh launched a dry season offensive against the Khmer Rouge after the guerrillas, who were outlawed last year, continued to reject the elected government of Co-Premiers Prince Norodom Ranariddh and Hun Sen.

Meanwhile, a reliable source in the Suranari Task Force yesterday accused Cambodian troops of deliberately shelling Thai territory in an attempt to draw Thailand into the internal conflict.

Thai people in the area had been warned and the task force was monitoring events closely, he said.

If any Thais were killed or injured, the task force would certainly protest to the Cambodian troops, and if the shelling continued the military would launch counter measures, he said.

Government Support for Submarine Purchase Noted

BK3001083495 Bangkok BANGKOK POST in English 30 Jan 95 pp 1, 3

[FBIS Transcribed Text] Key government agencies have given their support to the Royal Thai Navy request to commission two medium-size submarines within the next fiscal year, informed government sources disclosed yesterday.

The Foreign Ministry, the National Security Council [NSC] and the National Economic Policy Committee chaired by Deputy Prime Minister Suphachai Phanitchaphak, have given their support, the sources said.

The support came after the official agencies were convinced the acquisition will help strengthen the navy's capability to guard and protect shipping lanes and national under-sea resources competition for which will become fierce in the decades to come, the sources said.

The ministry has already informed the government about its support for the navy's request which will cost about 17 billion baht for its seven-year project from the 1996 to the 2002 fiscal year, said a senior foreign ministry official.

"The end of the cold war means the end of an ideological struggle as there is no longer a communist threat. But on the other hand it seems that conflict on the economic front would be intensified including competition for under-sea resources. We have to get ready and cope with the new situation which will certainly emerge in the next decade," said a senior ministry official.

The navy's request to have two submarines in service within the next decade was of strategic importance to the country as they would be used to safeguard Thailand's sea lanes, the official said.

He said if a regional dispute over under-sea resources, for example the Spratly Islands, develops into an armed conflict it could pose a security threat to sea-lane transportation to and from Thailand.

About 90-95 per cent of goods imported by Thailand come by sea through the Gulf of Thailand.

The National Security Council has already voiced support for the navy since the national security strategy states that submarines were to be part of the country's overall security plan in the next decade, the sources said.

"NSC chief Gen Charan Kunlawanit's position on the issue is quite clear. He is a key supporter of the plan," said one leading security officer.

The seven-year acquisition programme had already won support from the Defence Ministry and is likely to be raised for consideration by the Cabinet next week.

A senior general in the Defence Ministry's planning department said: "The navy's acquisition of submarines is not a new project at all. It is clearly stated in our national strategy plan.

"The Defence Ministry has to support the navy's move as we agreed that there must be such vessels in service by the next decade or else the navy would have problems in carrying out its assigned duty."

The general did not think the Cabinet would reject the navy's request. However, he said it was possible the government might ask for its postponement for fear that it would cause a financial problem for the government.

A senior navy officer yesterday said he was still hopeful that the Cabinet would give its final approval to the plan, claiming that the navy is not asking the government for an additional budget for the purchase.

According to the officer, the navy had already proposed in detail to the Budget Bureau how the navy would pay for the submarines from its annual budget over the next seven years.

An aide to National Budget Bureau chief Bodi Chunnanon has denied press reports which claim that Mr Bodi opposed the purchase.

But he admitted that the budget bureau was concerned whether such an acquisition would cause any financial problem for the government as it involves a budgetary commitment by the government for a long period.

"We've already cleared the issue with the budget bureau. The funds to acquire the submarines over the next seven years would come from the navy's own annual budget which has already been allocated by the government.

"We've decided to cut our expense on other projects in favour of the submarine project which we consider to be of the utmost priority for the navy," said a leading navy operation officer.

The officer said the navy has studied all the possibilities in reducing its 17 billion baht expenditure on the two submarines so that it would not be too much financial commitment for the navy and the government.

A source at Government House said the Commerce Ministry and the National Economic Policy Committee would also have no objection to counter-trade with some western countries from which the navy might purchase the submarines.

These include France, Sweden, Netherlands, Germany, Spain and Italy.

It was earlier predicted that the Cabinet would raise the navy's proposal for consideration during tomorrow's meeting. However, an informed source said the issue would not be raised until later.

Earlier concerns were also raised by academics that the purchase of the two submarines, one to be stationed in the Andaman Sea and the other in the Gulf of Thailand would make neighbouring countries in the region doubt Thai intentions.

If an understanding is no reached with ASEAN and other countries then it might trigger a regional arms race.

Khun Sa Men's Citizenship May Be Stripped

BK2701051395 Bangkok BANGKOK POST in English 27 Jan 95 p 8

[FBIS Transcribed Text] Office of the Narcotics Control Board [ONCB] secretary-general Pol Gen [Police General] Chawalit Yotmani has asked the Government to withdraw the Thai citizenship of 10 alleged lieutenants of drug warlord Khun Sa.

The request for the revocation of any citizenship granted through the naturalisation process comes at the initiative of the United States Drug Enforcement Administration [DEA].

The 10 were arrested last November in separate raids in Chiang Rai, Chiang Mai, Mae Hong Son and Bangkok. They are among 14 suspects Washington has asked Thailand to arrest and extradite to the US.

A Government House source said the move was taken because of US fears it would be difficult to take full legal action against the suspects if they hold Thai nationality.

Pol Gen Chawalit's request was made in a letter dated January 16 to Deputy Prime Minister Banyat Banthatthan. Mr Banyat is in charge of the ONCB.

The ONCB chief said the DEA had raised three points for consideration:

—If the suspects are Thai by birth, legal action against them could be taken against them in Thailand and the US would send documents and related evidence under 1992 law on international cooperation on criminal matters;

—If the suspects are naturalised Thais, they could have their Thai nationality withdrawn and be sent to the US under the Thai-US extradition treaty of 1983; and

—If the suspects are not Thai nationals, they could be extradited to the US right away under the same treaty.

Pol Gen Chawalit said the DEA would like the Government to withdraw the citizenship of any of the 10 suspects found to be naturalised Thais.

Mr Banyat has replied that it will take some time before the Government can respond to the request because it has to check whether any of the 10 are Thai by birth or through naturalization.

Vietnam

Reports on New Liaison Offices With U.S.

Foreign Ministry Issues Announcement

BK2801120195 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Jan 95

[FBIS Translated Text] The Vietnamese Foreign Ministry has just issued an announcement on the opening of the liaison offices of the Socialist Republic of Vietnam and the United States in each other's capitals as follows:

The SRV Government and the U.S. Government have agreed that the SRV Liaison Office in Washington and that of the U.S. in Hanoi are officially operational from 28 January 1995. These offices will operate within the framework of the 1963 Vienna Convention on Consular Relations.

The opening of the liaison offices in the two countries' capitals marks an important step on the path to the normalization of SRV-U.S relations, creating favourable conditions for the two governments to develop relations and continue solving problems of mutual concern and conforming to the interests of the two peoples and of peace, stability, and development in the region.

Also on 28 January, the two sides signed agreements resolving the issue of diplomatic properties and settling matters regarding other U.S. property in Vietnam and SRV property in the United States.

VNA Reports Official Opening

BK2801092795 Hanoi VNA in English 0734 GMT 28 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 28—The Governments of Vietnam and the United States today agreed that the liaison offices of Vietnam in Washington, DC and of the United States in Hanoi are officially operational as from Jan. 28. These offices will operate within the framework of the 1963 Vienna Convention on Consular Relations.

The opening of liaison offices in the two countries' capitals marks an important step on the path to the normalization of their relations, creating favourable conditions for the two governments to develop relations and continue solving problems of mutual interests, conforming to the interests of the two peoples, and of peace, stability and development in the region.

The same day, the two sides signed two agreements resolving the diplomatic properties and settling outstanding claims between the two countries.

Agriculture Minister Ends Visit to U.S

BK2901155695 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Jan 95

[FBIS Translated Text] At the invitation of the U.S. Department of Agriculture, nongovernmental organizations, and U.S. companies, Vietnamese Minister of Agriculture and Food Industry Nguyen Cong Tan visited the United States from 12-23 January. The minister held working sessions with the U.S. Department of Agriculture to discuss economic and scientific-technological cooperation projects between the two nations.

The U.S. side attached importance to expanding bilateral relations in trade and agriculture and creating favorable conditions for U.S. companies to invest in developing agriculture and food processing industries in Vietnam.

During his stay in Washington D.C., Minister Nguyen Cong Tan also held working sessions with representatives of the U.S. State and Commerce Departments and Senators Richard Lugar, Bennett Johnston, Christopher Bond, and John McCain.

In Kansas City on 20 January, Minister Nguyen Cong Tan received a token aid package worth $10 million, mostly medicine and medical equipment donated by a number of U.S. charitable organizations to help Vietnam on the 20th anniversary of the end of the Vietnam war.

Minister Nguyen Cong Tan thanked these U.S. organizations for their goodwill and reaffirmed the Vietnamese Government and people's policy of looking to the future in relations with the United States.

DPRK Cultural Minister Leads Delegation on Visit

President Receives Delegation

BK3001051895 Hanoi VNA in English 1513 GMT 29 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 29—President Le Duc Anh cordially received here this afternoon a delegation of the Ministry of Culture and Art of the Democratic People's Republic of Korea (DPRK) led by Deputy Prime Minister Chang Chol now on a working visit in Vietnam.

At the reception, President Le Duc Anh welcomed the delegation's visit to Vietnam as manifestation of the expansion of the culture exchange between the two countries, which, he said, has contributed to the consolidation of the Vietnam-DPRK traditional friendship fosterred by the late presidents Ho Chi Minh and Kim Il Sung. He informed the DPRK guests of Vietnam's socio-economic situation as well as its foreign policy and expressed his belief that their visit would further promote the culture exchange between the two peoples.

On this occasion, President Le Duc Anh asked Deputy Prime Minister Chang Chol to convey his best regards to DPRK President Kim Jong-Il.

For his part Deputy Prime Minister Chang Chol expressed his pleasure at the achievements recorded by the Vietnamese people under the leadership of the Communist Party of Vietnam in their national industrialization and modernization. He expressed his wish for the constant development of the cultural cooperation between Vietnam and the DPRK, thus making positive contribution to further promoting the friendship and multi-faceted cooperation between the two peoples.

While in Vietnam, the DPRK guests were received by Deputy Prime Minister Nguyen Khanh and had working sessions with Culture and Information Minister Mr. Tran Hoan. During the meetings, the two sides exchanged views on the development of culture and arts of each country and discussed measures to further promote the bilateral cooperation in culture.

The delegation paid a floral tribute to President Ho Chi Minh at his mausoleum.

Do Muoi Meets Minister

BK2901083095 Hanoi VNA in English 1613 GMT 28 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 28—General Secretary of the Communist Party of Vietnam Do Muoi received here this afternoon vice premier and minister of culture and arts, of the Democratic People's Republic of Korea Mr Chang Chol, who is here on a visit.

Mr Do Muoi thanked the party, government and people of DPRK for their precious support and assistance to the Vietnamese people's struggle for national liberation and reunification. He also expressed his wish that the two parties, peoples and governments would strengthen their solidarity and cooperation for the sake of the two nations. He wished the DPRK people to soon achieve their desire for peace, national reunification.

On this occasion, party chief Do Muoi conveyed his best regards to Mr Kim Chong-il and other party and government leaders of DPRK.

For his part, Mr Chang Chol expressed his pleasure at the great achievements recorded by the Vietnamese people in the struggle for national independence and reunification as well as in the process of renovation and wished Vietnam more achievements in the years to come.

Reception Marks Anniversary of Ties With DPRK

BK2801105495 Hanoi VNA in English 0653 GMT 28 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 27—Ambassador of the Democratic People's Republic of Korea to Vietnam Han Min-chol gave a reception here today to mark the 45th anniversary of the diplomatic relations between the DPRK and Vietnam.

Among the Vietnamese guests were Nguyen Manh Cam, Politburo member of the Communist Party of Vietnam Central Committee and foreign minister and Hong Ha, secretary of the party Central Committee and head of the External Relations Commission of the party Central Committee. Ambassador Han Min-chol and Minister Nguyen Manh Cam reviewed the 45-year diplomatic relations between the two countries, expressing their pleasure at the fine development of these ties and affirmed that the Korea-Vietnam friendship founded by President Kim Il-sung and President Ho Chi Minh would be further developed. Host and guest proposed toasts to more achievements in the national construction of the two peoples and further consolidation and development of their bilateral friendship and cooperation for the interests of each country and for peace and stability in the region and all over the world.

Delegation Visits Netherlands; Agreements Signed

BK2701155695 Hanoi VNA in English 1531 GMT 27 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 27—Vietnam and the Netherlands have recently signed an agreement on avoidance of double taxation and a memorandum of understanding aimed at boosting the bilateral economic cooperation.

These document were inked during a Holland visit by a Vietnamese Government delegation headed by Deputy Prime Minister [P.M.] Phan Van Khai, who arrived there on Jan. 23.

While there, Mr. Khai was received by Dutch Prime Minister Wim Kok. He held talks on separate occasions with Holland's Deputy P.M. and Foreign Minister Hans Van Mierlo, Minister of Cooperation and Development J. Pronk, Economy Minister Wijers and others.

The Vietnamese delegation took part in a round-table meeting, held by Holland's Council for the Promotion of Economic Cooperation with Vietnam, which was attended by representatives from over 30 leading companies and business groups in the country.

It also called at various firms including the head quarters of the Royal Dutch Shell Oil Company and ABN Amro Bank, and Rotterdam Port and other places of economic and cultural interests.

At these meetings, both sides noted with satisfaction at a new development step of their relations and expressed hope that this visit would help promote the friendship and cooperation between the two countries.

The two sides also discussed measure to further consolidate and develop their bilateral cooperation in investment and commerce.

P.M. Kok and many Dutch minister affirmed their country's wish to develop the multilateral ties with Vietnam and pledged to assist Vietnam in personnel training in the fields of water resources, transport, health care and environmental protection and so on. Apart from non-refundable aid, the Dutch Government also promised to encourage businessmen to invest in Vietnam and to help Hanoi to boost exporting goods to Western Europe.

The Vietnamese deputy PM, for his party, thanked the Dutch Government and people for their effective assistance and support to Vietnam in the past as well as at present. He conveyed P.M. Vo Van Kiet's invitation to P.M. Kok to pay a visit to Vietnam. The invitation was accepted with pleasure.

The Vietnamese delegation left The Hague yesterday, concluding its 4-day visit to Holland.

Kuwaiti Prince Holds Talks With Officials

BK2601153295 Hanoi VNA in English 1445 GMT 26 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 26—Prince Fahad al Jaber al-Ahmed al-Shabah [name as received] of Kuwait paid a visit to Vietnam from Jan. 23-26.

While here, the prince paid tribute to President Ho Chi Minh at his mausoleum, and worked with representatives of the Ministries of Foreign Affairs, Trade, Labour, and Light Industry, the State Committee for Cooperation and Investment, and the president of the Vietnam Chamber of Commerce and Industry. He also had working sessions with Vietnamese entrepreneurs and toured some places of interests in Hanoi.

The Kuwaiti prince was received by Deputy Prime Minister Nguyen Khanh who expressed gratitude for the support and assistance that the Kuwaiti people had given to the Vietnamese people. The prince affirmed that his visit this time was aimed at promoting the fraternal friendship and speeding up the two countries cooperation, especially in economic and trade fields.

Foreign Minister Nguyen Manh Cam offered dinner to the prince.

Argentine Official Welcomes Opening of Embassy

BK2601153495 Hanoi VNA in English 1445 GMT 26 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 26—Vietnam has opened its embassy in Argentina.

At the reception of Vietnamese charge d'affairs A.I. [ad interim] on Jan. 20, Deputy Foreign Minister of Argentina Mr Guillermo Goz Gonzales welcomed the opening of the embassy as an important step in the development of the two countries' relations. He highlighted Vietnam's achievements in the current renovation process and expressed his country's wish to be a client of Vietnam, which, in his words, would develop vigorously.

The Argentinian deputy foreign minister informed the Vietnamese diplomat of his government's intention to send representatives of Argentinian business and political circles to Vietnam with a view to create a legal framework for multi-sided cooperation between the two countries.

Vice Premier Addresses World Economic Forum

BK2901155895 Hanoi VNA in English 1520 GMT 28 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 28—'With favourable geographic location along the coast of the Pacific and with several estuaries, abundant human and untapped natural resoures, Vietnam has potentiality and also good will to participate to the all-sided collaboration together with other countries, particularly ones in the sub region', says Vice PM Phan Van Khai at the World Economic Forum in Davos yesterday.

He continued: 'In the recent years, at the summits of the greater Mekong sub-region, Vietnam has proposed a number of sub-regional cooperation projects in the field of transport, energy, trade, investment, human resources development, tourism and environment. Projects proposed by Vietnam were studied by related countries, by regional and international consulting firms and financial institutions and subject of discussion in the 2nd, 3rd, and 4th summits of greater Mekong sub-region. Some of proposals were adopted for sub-regional cooperation program such as the Bangkok-Phnom Penh-Ho Chi Minh City-Vung Tau inter-countries road, the east-west corridor from Thailand to Vietnam through Laos. The rest of them are in the stage of pre-feasibility study and seeking of financial sources'.

'During the last four months of 1994, the people in the Mekong River delta were heavily affected by an unprecendented flood caused by heavy rains in the upstream of the Mekong River, with high toll in lives and properties (407 deaths, the transport network, many public works and a large number of houses of some 10 million people were ruined). The government and people of Vietnam are making tremendous efforts, and with the assistance of international communities, to overcome the consequences of the flood, yet it takes time to restore production and the living conditions back to normal'.

'We are aware that Vietnam has to make great efforts in its renovation process for more rapid development, to make the best use of its potentials in order to expand the scope of cooperation with other countries in the subregion, thus making contributions to the strengthening and improving of the environment of stability, peace, cooperation and development which is evolving along a positive trend in the Asia-Pacific region.

'Over the recent years, the 'doi moi' policy has brought Vietnam out of a critical time of economic recession. Inflation has been brought under control and since 1991, the economy has maintained an annual growth rate of 8 [percent], external relations have been expanding rapidly while political stability has been consolidated and progress has been made in the cultural and social fields. Fundamentally, the Vietnamese economy has shifted to a market-oriented economy under macro management of the state.'

'These above-mentioned achievements have led to more favourable environment for foreign investment, trades and for the integration with the rest of the world.'

Do Muoi Closes Eighth Party Plenum

BK2701162095 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 26 Jan 95

[Speech by Do Muoi, general secretary of the Communist Party of Vietnam, at the closing of the Eighth Central Committee Plenum in Hanoi on 23 January—read by announcer]

[FBIS Translated Text] Comrade Advisers, Comrade Members of the party Central Committee, and all Comrades present: After eight days of intensive work, the seventh party Central Committee's Eighth Plenum has concluded successfully. All the participating comrades enthusiastically discussed and contributed many appropriate points to the resolution of this party Central Committee plenum in order to perfect it. The resolution deals with the need to continue building the SRV and reforming the state administrative system. The party Central Committee has also entrusted the Political Bureau with the task of issuing a resolution on major orientations for the ideological-theoretical work in the present situation.

All the decisions made by this party Central Committee plenum will contribute to consolidating and further strengthening the unanimity in the party and society regarding our party lines and standpoints on continuing to build a law-governed state of the people, by the people, and for the people with the emphasis placed on further reforming the state administrative system. This is a very important and pressing task aimed at accelerating the renovation process, firmly maintaining and enhancing political stability, strengthening national defense, and further accelerating national industrialization and modernization in the years to come.

While affirming the need to tackle and deal with specific problems within the framework of correctly complying with various party resolutions, the Constitution, and other laws already in force governing the organization of the state apparatus, the plenum also raised a number of issues for study and review during the preparation process for the eighth party congress. The plenum also spent an appropriate amount of time discussing the orientations for ideological-theoretical work in the new situation. This was done on the basis of remaining firm in Marxism-Leninism and Ho Chi Minh Thought and ensuring that the national construction process will develop in a wholesome fashion and in the right direction in order to attain the goals of national independence, a prosperous people, a strong country, and an equitable and civilized society in the advance toward socialism.

The Political Bureau welcomes the views contributed by the party Central Committee and will make the necessary amendments and revisions so that a Political Bureau resolution on this issue can be promulgated promptly.

Also at this plenum, the Political Bureau presented a review of last year's activities to the party Central Committee. The Political Bureau hereby expresses its gratitude to the party Central Committee and pledges to take the views of the party Central Committee scrupulously into account in order to develop its strong points and overcome its shortcomings with the aim of carrying out the tasks entrusted to it by the party Central Committee in a more satisfactorily fashion.

Comrades, it is true that the resolution is very important, but organizing the satisfactory implementation of this resolution will be the decisive factor. I propose that the party Central Committee, party committee echelons and administrations at various levels, mass organizations, and all party cadres and members actively organize study sessions to gain a thorough understanding of this resolution, work out action programs, and substantiate various plans and solutions in order to translate the resolution into life promptly and successfully. More specifically, it is necessary to develop programs and measures promptly to proceed with administrative reform; make the party and state apparatuses truly steadfast, efficient, and effective; restore public order and discipline; eradicate corruption and acts causing inconvenience to the people; consolidate and strengthen the people's confidence in the party and state; link the tasks of building the state and carrying out administrative reform with the efforts to deploy and overfulfill various planned targets, norms, and tasks for socioeconomic development and the state budget in 1995; strive to practice thrift and fight wasteful spending, particularly during the upcoming Tet new year festival; concentrate capital on development investment; correctly comply with the policy on multisectoral economic development; pay attention to the role of planning in the state-run market system; enact measures to control and contain inflation; maintain overall stability; and make active preparations for the eighth party congress.

The tasks we have set are very heavy and complex. This requires our party to improve its wisdom, voluntariness, exemplariness, and militancy if it is to provide successful guidance for those tasks already set. It is necessary to consolidate and strengthen the unity and unanimity bloc within the party and to preserve unity like the apple of our eye, as advised by Uncle Ho. Every committee echelon must promptly detect and deal with problems and ensure good unity within party ranks on the basis of the party's political platform and resolutions and of the rules governing party organization and activities.

In developing those gains already achieved and developing the new stature and strengths of our country's revolution, let our entire party, people, and Army remain united and of one mind; determined to struggle to seize opportunities, develop advantages, dispel dangers, overcome weaknesses and deficiencies, and effect vigorous and realistic changes in consolidating and building the state administration and enhancing the people's confidence, strength, and support so as to bring the comprehensive renovation of our country to a new peak.

As the Year of the Pig new year festival is drawing near, I wish all comrade advisers, comrade members of the party Central Committee, and all comrades present a new year of better health, higher knowledge, and continued significant contributions to the revolutionary cause of our party and people.

On behalf of the Political Bureau, I declare the seventh party Central Committee's Eighth Plenum closed.

Do Muoi Addresses Fatherland Front Gathering

BK2801103095 Hanoi VNA in English 0734 GMT 28 Jan 95

[FBIS Transcribed Text] Hanoi VNA Jan. 28—A get-together was held here yesterday morning by the Vietnam Fatherland Front Central Committee occasioned by the 65th anniversary of the Vietnam Communist Party and the lunar new year festival.

It was attended by the representatives of mass organizations and armed forces, including a great number of personalities, intellectuals, religious dignitaries and overseas Vietnamese. Party General Secretary Do Muoi, Advisor Pham Van Dong, General Vo Nguyen Giap, Politburo Member Vu Oanh were also present at the event.

Addressing the function, General Secretary Do Muoi said:

Inheriting and bringing into play the tradition of national unity, living up President Ho Chi Minh's words: 'unity, unity, great unity - success, success, great success', the Communist Party of Vietnam always attaches great importance to the consolidation and promotion of the entire people's great unity, and the expansion of the activities of the united national front. In the present time, the factor of nation becomes very important and the expansion of the people's great unity is ever more necessary. In that situation, the party Central Committee Political Bureau has recently issued a resolution on great national unity and the strengthening of the united national front considering great national unity the unswerving, long-term and fundamental policy of the party and state.

The party leader continued: 'It is the present tasks of the party and people to concentrate on alleviating poverty, and backwardness, achieving the goal of wealthy people, strong country and fair and civilized society, and firmly defending independence and freedom of the country'.

Do Muoi Pays Tet Visit to Hai Hung Province

BK3001050595 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Jan 95

[FBIS Translated Text] Comrade General Secretary Do Muoi paid a Tet-greetings visit to the cadres and workers of the 10th Tailoring Corporation under the Ministry of Light Industry this morning, 28 January.

Accompanying the comrade general secretary was Comrade Pham The Duyet, member of the Political Bureau and secretary of the Hanoi Municipal Party Committee; and Comrade Dang Vu Chu, minister of Light Industry.

Comrade Nguyen The Quang, secretary of the party committee and director-general of the 10th Tailoring Corporation, and a large number of cadres and workers of the corporation welcomed the comrade general secretary and showed him around, visiting some establishments.

At a get-together with the cadres and workers of the corporation, after hearing the comrade director-general report on an emulation drive initiated in the first month of 1995 to attain achievements to greet the party and the Spring festival, Comrade General Secretary Do Muoi spoke, urging the cadres and workers of the tailoring corporation to surge forward to work with higher efficiency and to improve the corporation's product quality so its products can compete more effectively with the garments from other countries in the region.

The comrade general secretary also paid a Tet-greeting visit to the family of Mrs. Vu Thi Chat, a hero worker title winner, at the corporation.

Vo Chi Cong Pays Tet Visit to Hai Hung Province

BK2901150895 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 28 Jan 95

[FBIS Translated Text] Against the joyous background of party anniversary celebrations and the Spring festival, Comrade Vo Chi Cong, adviser to the party Central Committee, paid a Tet-greeting visit to the cadres and people of Hai Hung province yesterday, 27 January.

Speaking to a cadre conference and various veteran revolutionaries, Comrade Vo Chi Cong hailed the many great efforts made by the party organization and people of Hai Hung last year. The comrade adviser said emphatically that the party organization of Hai Hung must step up efforts to effect a change in the economic structure, renovate the management mechanism of various cooperatives, and develop the potentials and advantages of a lowland province in order to ensure faster economic development. This will duly contribute to the party's renovation process and to the satisfactory implementation of our national socioeconomic strategy.

Vo Van Kiet Attends Government Regular Meeting

BK3001033995 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Jan 95

[FBIS Translated Text] In Hanoi on 26 January, the government held its regular meeting to discuss measures aimed at balancing currencies, commodities, and prices; and to pass a decree on guiding the implementation of the law on domestic investment promotion. Prime Minister Vo Van Kiet chaired the conference.

Members of the cabinet heard the State Planning Commission and the Government Pricing Committee present reports on the balancing of currencies, commodities, and prices in 1994 and tasks and orientations for 1995. After their discussion, the cabinet members unanimously agreed to various measures raised in these reports which are aimed at accelerating the production of domestic goods, promoting exports, correctly and actively implementing the policy on currencies, optimally mobilizing various income sources, and strictly controlling expenditures. The cabinet also discussed the government's draft decree on guidances to implement the law on domestic investment promotion presented by the minister and head of the State Planning Commission.

Prime Minister Vo Van Kiet delivered an address to close the government's regular meeting.

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